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CSCE RECEIVES HUNGARIAN MILITARY SCHEDULE

LD200529 Budapest MTI in English 2048 GMT 19 Dec 86

[Text] Budapest, December 19 (MTI) -- The Hungarian Ministry of Foreign Affairs has handed over the schedule for 1987 of military activities on the territory of the Hungarian People's Republic bound to prior notification to all the 34 countries involved in the CSCE process. The schedule was forwarded through diplomatic channels until December 15.

The representatives of the countries involved in the CSCE process approved a document on confidence and security-building in Europe at the Stockholm conference on September 19. The Document stipulates as an obligatory military confidence-building measure that the 35 countries concerned should exchange, before the end of each year, the schedule of their military activities envisaged for the following year.

HUNGARIAN DELEGATE ADDRESSES CSCE CONFERENCE

LD192246 Budapest MTI in English 1651 GMT 19 Dec 86

[Text] Vienna, December 19 (MTI) -- Drawing conclusions from the first phase of the Vienna follow-up conference, greater attention should be paid to the fields of the Helsinki process that have been neglected, Ambassador Andre Erdos, head of the Hungarian delegation, said at the closing plenary session on Friday. Andre Erdos took a stand for extending the mandate of the Stockholm conference and starting talks on the reduction of armed forces. Economic, commercial, technical and scientific cooperation should be improved through the removal of all obstacles. Despite the debates and diverging opinions the Helsinki process has obviously yielded fruit, and further talks are required to come to agreements in all fields of the process. Anyone who wishes to promote the cause of security and cooperation in Europe can count on Hungary, Andre Erdos emphasized.

In a statement given to the MTI's correspondent, Andre Erdos stated that the Hungarian delegation had taken an active part in the work of five commissions. It is to be welcomed that the participating countries, in general, has given a positive assessment to the implementation in all fields of the Helsinki recommendations in Hungary. The delegates of countries with diverging political system appreciated the Hungarian practice and experience on several occasions.

Hungary also formulated the proposal for holding an economic forum in Prague as the country has also been harmed by protectionist and discriminative measures and embargoes. Therefore non-discrimination in commercial, industrial, technical and scientific cooperation is our vital interest. The Budapest Cultural Forum was a remarkable success. And many countries share our view that it was correct and necessary to put forward again some proposals of the forum worth implementation. Hungary and Austria submitted a proposal for setting up a European folk art centre called Bela Bartok in Budapest. As to the economic and humanitarian fields, Hungary wishes to put forward its practical proposals in the second phase so that as many as possible issues important for Hungary be included in the final act of the conference.

CSSR DELEGATE ADDRESSES CSCE MEETING

LD192107 Prague CTK in English 1822 GMT 19 Dec 86

[Text] Vienna Dec 19 (CTK correspondent) -- "Our political will is in harmony with the interests of nations", head of the Czechoslovak delegation to the CSCE follow-up meeting Milan Kadnar said here today.

"Our political will...is clearly to improve and activate relations in Europe and in other regions, to promote peace, security, justice and cooperation, to strengthen the process of detente, to strengthen confidence and to promote the implementation of the fundamental human rights as well as economic and social progress", he told the follow-up meeting of the Conference on Security and Cooperation in Europe addressing a session analysing the course of the first seven weeks of the meeting.

The Vienna talks have shown that a number of principles of the Helsinki Final Act are still being violated. This concerns articles banning the use or threat of force, interference in the internal affairs of other states, equality and the right to self-determination, the compliance with treaties and articles on human rights, he said. Nevertheless, most of the countries observe the principles of the Final Act a proof of which is the fifth decade of peace in Europe, he said.

The Czechoslovak representative further expressed concern over the obstacles put by some Western countries in the way of the development of economic, trade, scientific, technical and other relations between states. To put an end to this development, Czechoslovakia has proposed, together with Hungary, Poland and the GDR, the convocation of an economic forum to Prague.

Referring to humanitarian questions, Milan Kadnar pointed to the violation of human rights in the capitalist countries, namely in the United States and Great Britain, but also in other countries. Proceeding from figures published by the USA, he recalled that there are 3 million homelesss, 13 million unemployed and 47 million completely or partly illeterate people in the USA.

Concluding his speech, the Czechoslovak representative expressed the conviction that the Vienna follow-up meeting will decide during its further deliberations that the Stockholm Conference should deal with conventional disarmament in Europe, that it will support proposals for expanding cooperation between European states and contribute, in the sphere of humanitarian questions, to the improvement of the situation not only of individuals but of tens of millions of people without jobs, homes and other fundamental rights.

Today's session of the Vienna CSCE follow-up meeting was addressed by representatives of more than 20 delegations. The meeting, attended by delegations from 35 countries of Europe, the USA and Canada will resume its session on January 27, 1987.

SOLIDARITY'S MILEWSKI GIVES PRESS CONFERENCE AT CSCE

AU171348 Vienna DIE PRESSE in German 17 Dec 86 p 2

["B.B" report: "Solidarity Remains Symbol for Majority of Poles"]

[Excerpt] Vienna -- The fact that Poland is still relatively free compared with other East European countries is to be attributed only to the existence of Solidarity, said Jerzy Milewski, representative of the Solidarity independent trade union movement, which has been banned by the Warsaw communist regime, at a press conference yesterday in Vienna. Because, as a result of Solidarity's peaceful struggle -- even though it has to take place underground -- Jaruzelski has been forced to take certain measures. For the majority of Poles Solidarity is and remains a symbol, and it is in particular the Vienna CSCE follow-up conference that has to work so that this majority regains all its due rights, Milewski said. Milewski was one of the guests at a press conference about the Polish "normalization" organized by the Austrian Helsinki Committee and the International Helsinki Federation. A report drawn up by the Polish Helsinki Committee and dealing with "Human Rights Violations in Poland from 1983-86" was also presented at the press conference. [passage omitted]

GENERAL JACE LULA DIES 23 DECEMBER

AU241344 Tirana ATA in English 1035 GMT 24 Dec 86

["Press Review" -- ATA headline]

[Excerpt] [Passage omitted] The press carries the obituary informing that on December 23 1986, Comrade Jace Lula, vice chief of the General Staff of the People's Army, passed away of a grave disease. The obituary is signed by Comrade Simon Stefani, Prokop Murra, Kico Mustaqi, and other comrades. [passage omitted]

Leaders Attend Funeral

AU251600 Tirana ATA in English 0937 GMT 25 Dec 86

[Text] Tirana, December 25 (ATA) -- The funeral ceremony of Comrade Jace Lula, vice chief of the General Staff of the People's Army, one of the capable and devoted cadres of our army, was organized in Tirana before noon. The coffin was placed at the hall of the Central House of the Army.

At 11.30 the first secretary of the Central Committee of the party and general commander of our Armed Forces, Comrade Ramiz Alia, accompanied by the member of the Political Bureau and secretary of the CC of the party, Comrade Simon Stefani; the member of the Political Bureau of the Central Committee of the party and minister of people's defence, Comrade Prokop Murra; the member of the Political Bureau of the Central Committee of the party and minister of home affairs, Comrade Hekuran Isai, come here. They paid homage and stood guard of honour near the coffin with the body of Comrade Jace Lula. Comrade Ramiz Alia expressed his condolences to his wife, children and the relatives of family of the bereaved.

Likewise, the member of the Political Bureau of the Central Committee of the party and vice chairman of the Council of Ministers, Comrade Besnik Bekteshi; the alternate member of the Political Bureau of the Central Committee of the party and chief of the General Staff, Kico Mustaqi; the alternate member of the Political Bureau of the Central Committee of the party and first secretary of Tirana District Party Committee, Comrade Pirro Kondi; the alternate member of the Political Bureau of the CC of the party and chairman of the Executive Committee of the District People's Council, Comrade Llambi Gegprifti, and other comrades paid homage.

To honour the memory of Comrade Jace Lula, militarymen, working people of work and production centers, different institutions, representatives of mass organizations, young boys and girls and members and relatives of his family paid homage and stood guards of honour.

In the graveyard Comrade Kico Mustaqi made the speech on the occasion. He stressed among the other things that the work and life of Comrade Jace Lula has been an example of the man who has worked to consistently apply the line of the party and the tasks it has constantly laid down. He worked everywhere and always there where the interests of the defence of the homeland needed. In the ranks of the Army, Comrade Jace Lula has carried out important tasks in military units where he has claimed distinction for devotion to the cause of the party, tireless work, the love for the Army, making a valuable contribution to enhance ever more the combat readiness.

NATIONAL ASSEMBLY SESSION OPENS 24 DECEMBER

AU241318 [Editorial Report] Sofia Domestic Service in Bulgarian at 1300 GMT on 24 December carries a 2-minute live relay from Sofia's National Assembly Hall of the opening ceremony of the third session of the Ninth National Assembly.

At precisely 1300 GMT, reporter Boyan Bonev announces that Stanko Todorov, chairman of the National Assembly, opens the session. Stanko Todorov proposes the agenda of the session, listing:
"1. Draft Law on Adopting a Decree on Changing the Law on Scientific Degrees and Titles;
"2. Draft Law on the Uniform State Plan for Scientific-Technical and Socioeconomic Development of the People's Republic of Bulgaria During the Ninth 5-Year Plan;
"3. Draft Law on the State Budget of the People's Republic of Bulgaria for 1987;
"4. A Proposal on Structural and Personnel Changes in the Council of Ministers;
"5. Draft Plan on the Work of the National Assembly for 1987."

Stanko Todorov immediately adds: "In addition, I have just received an interpellation from National Assembly Member Boris Vasiliev Iliev from Pazardzhik District, who addresses his interpellation to the chairman of the Economic Council and the minister of trade. His question is related to the production and distribution of working clothes and personal safety devices. Since I have just received the interpellation, and the chairman of the Economic Council returned from Italy just 1 hour ago, I propose to postpone the interpellation to the next session, so that the chairman of the Economic Council and the minister of trade will have time to prepare themselves on this matter, and maybe by then they will adopt the necessary measures, so that they will have something to say." Laughter is clearly heard in the hall. Stanko Todorov himself is laughing. The National Assembly members unanimously adopt the agenda.

Reporter Boyan Bonev reports that the following officials are attending the session: "Todor Zhivkov, general secretary of the BCP Central Committee and State Council chairman; Petur Tanchev, secretary of the Bulgarian Agrarian National Union and first deputy chairman of the State Council; Georgi Atanasov, chairman of the Council of Ministers; and other party and state leaders."

Iliev Presents Plan

AU241947 Sofia BTA in English 1821 GMT 24 Dec 86

[Text] Sofia, December 24 (BTA) -- During the Ninth 5-Year Period, Bulgaria's national income is planned to increase 30 per cent, and the social productivity of labour is to rise by 35 per cent.

Speaking at the third session of the Ninth National Assembly, which opened here today, Mr Ivan Iliev, Bulgaria's deputy premier and chairman of the State Planning Commission, said that all social spheres will be undergoing qualitatively new growth in the five-year period. Such conditions ought to be created in Bulgaria's development during these years that would entitle her to a place among the most advanced nations by the end of the century.

"This is a historic necessity both in terms of the advancement of socialism in the country and of Bulgaria's contribution to the advancement of the world socialist community," he emphasized.

Reporting on the bill of the country's techno-scientific and socio-economic development plan for the ninth five-year period, Mr. Ivan Iliev drew attention to the external conditions in which Bulgaria will be developing. He recalled the principled and constructive position of the Soviet Union on the key issues of our time and above all the Soviet proposals put forward at the Reykjavik summit and supported by all peaceloving forces in the planet.

There is reason to expect a deterioration of the capitalist market conditions, an ongoing policy of discrimination and embargoes in the transfer of technologies, Mr Ivan Iliev said. The speaker pointed out that according to estimates, the country will meet the national plan targets for 1986, the first year of the Ninth 5-Year Period. The national income is expected to rise 5.5 per cent from a year ago (with a plan target of 4 per cent). The social productivity of labour will register a growth of 5.9 per cent, against a rate of 4.5 per cent as set in the plan. The respective growth figures are 9.2 per cent for mechanical engineering, 4.3 per cent for industrial production, and 7 per cent for agriculture.

The five-year plan will be fulfilled if a resolute turn is taken towards thinking in technological and business terms, if a radical shift is achieved in the attitude towards nationalisers, production innovators and inventors and towards their suggestions, if the approach to capital investments and to their concentration on decisive projects is changed dramatically, if liberalism and indiscipline are stemmed uncompromisingly, and if departmental, sectoral and local barriers are eliminated, Mr. Ivan Iliev observed.

It is the first time that a five-year plan has been worked out on the basis of the technological links balances. These balances outline the priorities and the opportunities for the introduction of high technologies in the respective production complexes. On this basis, the narrow sectoral approach will be abandoned and the departmental barriers removed.

The draft plan comprises more than 200 technological systems with over 850 basic and related technologies channelled mainly in the determinant areas: electronics, biotechnologies, chemistry, optronics, etc.

Mr. Ivan Iliev said that electronics is to play a decisive role in the economic restructuring. Electronics output should increase nearly 2.4-fold in 1990 from 1985, and microelectronics alone is planned to triple its production.

In connection with the development of the mineral, raw materials and energy complex, it was noted that since it is almost impossible to increase the amount of primary resources, they should be utilized more efficiently. The accent will be on the introduction of waste-free and low-waste technologies, and priority will be assigned to the production of high-grade steel and rolled steel, of ferrous metal products for electronics, of pure and superpure chemicals, of lightweight chemistry. The pharmaceutical industry will more than double its output. The generation of electric power by the end of the decade will reach 50,000 to 52,000 million KWH, mainly through the speedier development of nuclear power.

In agriculture, grain production is estimated to average 10 million tons a year. Considerable increase is planned for the production of vetch crops, and agricultural and food industry waste will be utilized more comprehensively to meet the requirements of fodder.

Between 53,000 million and 56,000 million leva will be invested (as against 40,000 million in the Eighth 5-Year Period). Capital investments in the updating of the available fixed production assets in operation will grow at faster-than-set rates. Other small and medium-sized enterprises will be established.

Foreign trade is to go some 37 percent up from the Eighth 5-Year Period, and trade with the socialist countries alone will grow by more than 40 percent. The Soviet Union is the major trading partner: it accounts for more than 60 percent of Bulgaria's total commercial exchanges.

Over the next five years, the real income per capital of the population will rise by 18 percent, which would gurantee the further raising of living standards. Wages will be the principal source of income, but they will be paid not for work in general but for specific results, for fulfilled tasks. The average monthly wage will reach a level between 250 and 255 leva, and the minimum wage will increase from 120 to 140 leva.

The public consumption funds will be growing at the same pace as the national income, and by the end of the decade they are expected to total 1,154 leva per capita of the population. The minimum monthly pension will rise from 60 to 70 leva.

Some 400,000 dwellings will be completed during the five-year period, and 120,000 of them will be built on a cooperative basis. One-room flats will no longer be constructed.

Considerable increase is envisaged in allocations on science and research services: 4 percent of the national income. The outlays on research facilities construction will more than triple.

In order to meet the changed requirements, the enrollment of students in engineering and technical subjects will be expanded.

Investments in the non-material sphere total 2,345 million leva.

The allocations on health-care, recreation, sports and tourism aggregate 1,043 million leva. Funds are provided for the realization of the regional programmes in effect: on the development of north-western Bulgaria, of the Strandzha-Sakar Region, etc.

The deputy premier and chairman of the State Planning Commission indicated that a fundamentally new economic mechanism has been worked out for meeting the targets of a qualitatively new growth. This mechanism is a large step towards coupling the planned development of the national economy with commodity-money relations. The mechanism enables the self-governing organizations to choose by themselves the concrete ways of realizing the strategy. An extensive system of economic levers creates conditions for harmonizing the individual, collective and public interests. The new mechanism will be introduced stage by stage, and as of the beginning of 1988 it will function in its entirety.

Some of the novelties in the mechanism: turning the workteam and individual piece-rate system into a principal form of work organization and pay, abandoning the practice of granting automatically subsidies to losing enterprises, and placing the relations between banks and self-governing organizations on fully economic lines and their contractural regulation. Relations between all parties to the investment process will shift to an economic and contractually regulated basis. Incomes and pay will depend on end results: in construction, for instance, wages will depend on the putting of projects in operation and not on the volume of construction and assembly work.

Belchev Presents Budget

AU242049 Sofia BTA in English 1853 GMT 24 Dec 86

[Report on speech by Belcho Belchev, minister of finance, on the 1987 draft budget at the 24 December National Assembly session in Sofia]

[Text] Sofia, December 24 (BTA) -- The draft of Bulgaria's national budget for 1987, which is on the agenda of the National Assembly session underway here, envisages receipts of 20,673 million leva and expenses of 20,663 million leva.

Mr Belcho Belchev, minister of finance, pointed out in his speech that the budget has been drafted in different conditions from before. The transition to the principles of self-management by the enterprises and the research and development organizations opens up great opportunities for the speedy and large-scale introduction of the forefront scientific and technological advances.

The dynamic and stable economic growth, envisaged in the draft plan for the Ninth Five-Year Plan, ensures the attainment of the national objectives and the safeguarding of the national interests, on the one hand, and the further strengthening and expansion of the self-governing economic organizations' own financial backing. In 1987 the self-governing economic organizations will have more than 15,000 million leva from their income and depreciation deductions for their self-finance, Mr Belcho Belchev said.

The minister of finance stressed that thanks to the efficient economic growth in keeping with the decisions of the 13th BCP Congress, nearly 92 percent of the budget receipts in 1987 will come from the self-governing economic and other organizations. The bulk of this revenue is expected to be received from profits taxes and turnover taxes, which account for 50 percent of the receipts from the national economy.

Special attention in the securing of additional profits should be paid to the requirement of a speedy and resource-efficient economic growth. Hence, it is imperative to make provisions for a sparing and most efficient use of energy and raw materials, as well as for the operation of facilities at the fullest possible capacity.

The 1985 data show that in comparison with 1980, material consumption per unit of industrial output has dropped by 2.5 percentage points. This positive tendency has been retained in the first eleven months of this year, too. Mr Belcho Belchev noted that certain economic associations and combined works have allowed an unwarranted increase of material consumption. This is mainly due to the facilities' underloading, to the failure to operate the equipment on multiple shifts, to the excessive overstocking of commodities and materials, and to the unwarranted outage and the low quality of output.

The draft plan envisages a dramatic drop of material consumption in 1987, as compared to 1986.

Turnover taxes will secure some 26 percent of the budget revenue in 1987. The receipts from social security and from the Council for Reciprocal Security of the Members of Producers' Cooperatives amount to 3,935 million leva. The share of receipts from taxes and rates levied on the population is maintained on the same level as in 1986: 8 percent of the revenue.

Finance Minister Belcho Belchev said that budgetary funds will be channelled mainly into the work of the self-governing economic organizations and into the public consumption funds.

Stressing the special importance which the BCP has always attached to the building, improvement and utilization of material and technical basis, he pointed out that 10,343 million leva will be invested in its development in 1987. The bulk of these funds (78 per cent) will go into material production, and the rest, 22 per cent, will be spent on the non-material sphere.

The science and research services allocations amount to 293 million leva. The public consumption funds will take up 7,318 million leva, education 1,682 million leva, health care, sports and tourism 1,176 million leva.

The national budget draft provides for the necessary outlays on the country's defense and security.

The budget has been drafted in keeping with the new principles of social management, the minister of finance said, and he announced that as of the beginning of 1987, investments in material production will no longer be financed without compensation from the budget. The state will be aiding the self-governing economic organizations depending on the results of their technological and market breakthroughs. This will be also the basis of the wages fund formation. This will be also the basis for the wages fund formation. Substantial changes will be made next year to prepare the transition to a fundamentally new framework of owner-manager relations. New forms of taxes will be worked out for the realization of expanded reproduction on the basis of techno-scientific progress and, and the same time, all organizations which fail to attain the envisaged growth parameters will be penalized.

Plan, Budget Approved

AU242023 Sofia BTA in English 1908 GMT 24 Dec 86

[Text] Sofia, December 24 (BTA) -- The Bulgarian parliament's standing committees approve the bills on the Country's Development in the Ninth Five-Year Period (1986-1990) and on the 1987 National Budget, which were introduced for consideration today.

Mr Grisha Filipov, M.P., Politburo member and secretary of the CC of the BCP, took the floor at the third session of the Ninth National Assembly, which opened here today. On behalf of the Standing Committees, he pointed out in a co-report that, as a whole, the documents moved are consistent with the economic and social policy of the BCP. The endorsement of these bills will make it possible to develop a heavily researched economy, the structure and the efficiency of which will draw near to the structure and efficiency achieved by the advanced countries in the world.

Mr Grisha Filipov stressed the need for the extensive use of economic levers and regulators in the national economy management, in view of the economic conditions in the country. It is imperative to provide opportunities for a generally profitable competition among the commodity producers, for raising the business responsibilities of all parties to the economic relations. In this connection, it was indicated that special attention should be given to personnel training in the spirit of the restructuring philosophy. "We must evolve such a social organization of labour which will stand everything to gain from the enterprising," the speaker said.

Mr Georgi Karamanev, M.P., deputy premier and chairman of the government's Social Council, emphasized that the bills introduced set fundamentally different requirements to the application of the system of balances in planning the country's development. He said that the draft plan for the Ninth Five-Year Period has taken into account the difficulties which the country has experienced in its development over the last few years, the subjective and objective weaknesses, and the influence of the emerging foreign economic contacts.

Mr Georgi Karamanev pointed out that the envisaged socio-economic growth rates are high, but they should be regarded as the lowest threshold target.

The M.P.s emphasized in their statements that the high pace of technological renovation and the economic restructuring are not an end in itself. They stem from one principal task: the maximum satisfaction of the steadily growing material and intellectual requirements of the people.

Session Ends; New Council

AU251435 Sofia Domestic Service in Bulgarian 1400 GMT 25 Dec 86

[Text] A short while ago the third session of the Ninth National Assembly ended. The last meeting was chaired by Stanko Todorov, chairman of the National Assembly.

After the additinal debates by the permanent commissions on the draft laws of the plan of the Ninth 5-Year Period and the 1987 budget, debates became necessary because of the proposals and addenda proposed by the National Assembly members during the general debates, Grisha Filipov, chairman of the Commission on Socioeconomic Development, conveyed the opnion of the permanent commissions. The sponsors of the draft laws accepted the opinion of the permanent commissions as well as the proposals and addenda made during the debates.

Afterward, the draft law on the Uniform State Plan on Scientific-Technical and Socioeconomic Development of the Country During the Ninth 5-Year Period was proposed for a second voting. The law was unanimously adopted. At the second voting, the National Assembly members also adopted unanimously the law on the State Budget for 1987.

During the last meeting of the session, a decision was adopted on structural and personnel changes in the Council of Ministers. The decision creates a Council for Agriculture and Forestry at the Council of Ministers. The purpose of the new council is to achieve a uniform state leadership and coordination of the activity of the country's agro-industrial complex.

Aleksi Ivanov was elected chairman of the Council for Agriculture and Forestry and deputy chairman of the Council of Ministers. The decision abolishes the Ministry of Agriculture and Forestry.

According to the last point on the agenda, the members of the National Assembly adopted a plan on the work of the National Assembly during 1987.

Thus, the third sessin of the Ninth National Assembly ended. Stanko Todorov, chairman of the National Assembly, read a concluding speech.

ZHIVKOV, REAGAN EXCHANGE LETTERS ON NARCOTICS

AU261911 Sofia BTA in English 1717 GMT 26 Dec 86

[Text] Sofia, December 26 (BTA) -- Mr Todor Zhivkov, president of the State Council, has received a letter from Mr Ronald Reagan, president of the United States, devoted to the problems of drug abuse in the United States and to the worldwide war on illicit drugs. The letter acknowledged Bulgaria's contribution to the drug smuggling control efforts.

In his reply to the U.S. President, Mr Todor Zhivkov emphasized that along with the drug enforcement cooperation established between the two countries, there are still untapped opportunities to extend the bilateral dialogue to other areas, too, and to promote constructive Bulgarian-U.S. relations in the best interests of the Bulgarian and the American peoples.

ZHIVKOV MEETS WITH AKEL LEADER PAPAIOANNOU

AU261541 Sofia BTA in English 1220 GMT 26 Dec 86

[Text] Sofia, December 26 (BTA) -- Today Mr. Todor Zhivkov, secretary general of the CC of the BCP and president of the State Council, met Mr. Ezekias Papaioannou, secretary general of the Progressive Party of the Working People (AKEL) of Cyprus.

The talks, which passed in a cordial and friendly atmosphere, exchanged information on the work of the BCP and AKEL as well as on topical issues of the situation in the world and of the international communist and workers' movement.

Mr. Todor Zhivkov acquainted his guest with the work of the Bulgarian Communists and working people in implementation of the resolutions of the 13th BCP Congress.

Mr. Ezekias Papaioannou gave a high assessment to Bulgaria's constructive foreign policy, especially to her efforts for turning the Balkans into a zone free of nuclear and chemical weapons. He spoke of the work of the 16th AKEL Congress held in November this year, and of the activities of the Cypriot Communists for rallying all progressive and democratic forces in the country.

The two sides noted that the international situation continues to be tense and alarming as a result of the policy of neoglobalism pursued by the aggressive circles of imperialism. They expressed concern over the attempts of the United States to achieve military superiority and to transfer the arms race into space.

The talks gave a high assessment to the Soviet proposals made at the Reykjavik summit and stressed the necessity for enhancing unity of action and for promoting the constructive dialogue and cooperation between all progressive and democratic forces for eliminating nuclear weapons, for reducing conventional weapons and for lasting peace and security in the world.

The two leaders condemned all attempts to divide Cyprus. They stressed the necessity for a peaceful, lasting and just resolution of the Cyprus problem with the assistance of the UN secretary general and within the framework of an international conference for the withdrawal of all foreign troops and immigrants from the territory of the island and to turn Cyprus into an actually independent, sovereign, inseparable, non-aligned and demilitarized state.

The talks between Mr. Todor Zhivkov and Mr. Ezekias Papaioannou confirmed the complete unanimity of the two parties on the issues discussed, their mutual wish to further promote the fraternal relations between the BCP and AKEL on the basis of Marxism-Leninism and proletarian internationalism and in the name of the common struggle for peace, democracy and socialism.

The meeting was attended by Mr. Dimitur Stanishev, secretary of the CC of the BCP.

POLITBURO APPROVES ZHIVKOV-CEAUSESCU MEETING

AU251916 Sofia BTA in English 1833 GMT 25 Dec 86

[Text] Sofia, December 25 (BTA) -- The Politburo of the CC of the BCP gave a high assessment to the talks and the agreements reached between Mr. Todor Zhivkov and Mr. Nicolae Ceausescu at their meeting on December 18 and expressed its belief that they will contribute to the further promotion of the cooperation between the Bulgarian Communist Party and the Romanian Communist Party, between the People's Republic of Bulgaria and the Socialist Republic of Romania, and between the Bulgarian and the Romanian people on the basis of the principles of Marxism-Leninism and socialist internationalism, for enhancing the unity and cohesion of the countries of the socialist community in the interest of the cause of peace and socialism.

It was noted that, exchanging opinions on some topical issues of the international situation, Mr. Todor Zhivkov and Mr. Nicolae Ceausescu expressed concern over the development of the current international situation and reitereated their support for the principled, constructive and flexible stand of the USSR at the Reykjvik summit as well as for the programme proposed by the Soviet Union for a total and universal elimination of nuclear and other types of mass annihilation weapons by the end of the century.

The Politburo also approved the firm resolution of the two countries to act together with the Warsaw Treaty countries and with the other socialist countries, with all peace-loving, democratic and progressive forces for consolidating peace, cooperation and security in Europe and the world.

The Politburo of the CC of the BCP welcomed the readiness of Bulgaria and Romania confirmed by Mr. Todor Zhivkov and Mr. Nicolae Ceausescu to work still more actively for turning the Balkans into a zone free of nuclear weapons and for the realization of the joint Bulgaro-Romanian initiative to make the Balkans a region free of chemical weapons, for promoting the relations of goodneighbourliness and cooperation among the Balkan states as well as their mulitlateral cooperation in areas and on issues of mutual interest.

DOYNOV OFFICIAL VISIT TO ITALY EVALUATED

AU241350 Sofia BTA in English 1326 GMT 24 Dec 86

["Possibilities for Promoting Bulgaro-Italian Cooperation" -- BTA headline]

[Text] Rome, December 24 (BTA corr.) -- The working visit of Mr. Ognyan Doynov, deputy chairman of the Council of Ministers and chairman of the Economic Council ended. He was guest of the Italian Government.

During his stay Mr. Ognyan Doynov had talks with Foreign Minister Giulio Andreotti and with the minister of foreign trade Salvatore Formica. He also met the leaders of some of the largest Italian industrial groupings like "Fiat", "Pirelli", "Montedison" and others. In a constructive atmosphere there were discussed the ways to promoting Bulgaro-Italian cooperation in different areas.

The two sides approved a joint announcement on the visit for the press. It stresses that the problems which restricted the development of the political and economic contacts between Bulgaria and Italy have been overcome. Agreements have already been signed for promoting contacts it the chemical, pharmaceutical, the light and the food industries, in metallurgy and in mechanical engineering.

The document also points out that the Italian side will deliver the necessary equipment to Bulgaria for the setting up of an up-to-date centre for heart surgery. The updating of small and medium-sized enterprises in Bulgaria will also be an aspect of the mutually advantageous bilateral cooperation. The possibilities for increasing Bulgaria's export to Italy will be concerned.

PZPR CC SECRETARY WASILEWSKI VISIT REPORTED

AU230959 Sofia RABOTNICHESKO DELO in Bulgarian 20 Dec 86 p 6

[Text] At the invitation of the BCP Central Committee from 16 to 19 December Andrzej Wasilewski, secretary of the PZPR Central Committee, paid a working visit to Bulgaria. He had talks with Comrades Yordan Yotov, Georgi Yordanov, and Stoyan Mikhaylov. Meetings with representatives of Sofia's artistic-creative intelligentsia took place, and creative unions and cultural-historical places were visited.

During the meetings, the Polish guest was briefed on topical issues related to developing culture in our country and on the tasks implemented by the BCP in putting into effect the decisions of the 13th BCP Congress. A positive evaluation of cultural relations between the BCP and the PZPR was made and the possibilities of their further development in the spirit of the decisions of the 13th BCP and the 10th PZPR Congresses were discussed.

Wieslaw Bek, Polish ambassador to Bulgaria, took part in the meetings.

COOPERATION PROTOCOL WITH DPRK SIGNED

AU191952 Sofia BTA in English 1845 GMT 19 Dec 86

[Text] Sofia, December 19 (BTA) -- Today Bulgaria and the D.P.R.K. signed a programme for techno-scientific cooperation up to 1990. It contains targets for the design of advanced, highly efficient technologies, for the development and introduction of new materials and feedstock. Special attention is devoted to production mechanisation, electronization and automation, as well as to raising the technological level and quality of output.

The document was signed by Mr Stoyan Markov, alternate member of the Politburo of the CC of the BCP, first deputy premier and chairman of the State Committee for Research and Technology, and by Mr Yi Cha-pang, alternate member of the CC of the Workers' Party of Korea and chairman of the D.P.R.K. State Scientific and Technological Commission.

Today Mr Georgi Atanasov, politburo member of the CC of the BCP and chairman of the Council of Ministers, received Mr Yi Cha-pang. They discussed the opportunities for an enhancement of bilateral cooperation and for the promotion of techno-scientific ties.

CONSULTATIONS HELD WITH USSR PRESS DEPARTMENT

AU252053 Sofia Domestic Service in Bulgarian 2030 GMT 25 Dec 86

[Text] From 22 to 25 December in Sofia consultations took place between the Press Department of the Bulgarian Ministry of Foreign Affairs and the Information Administration of the USSR ministry of Foreign Affairs. The Bulgarian delegation was led by Maksim Karadzhov, head of a department, and the Soviet by Boris (Perishev), first deputy head of a section.

Special attention was paid to the newest peace initiatives of the USSR, Bulgaria, and the other socialist countries for strengthening international security, for disarmament, and for decreasing international tension.

LEADERS' PUBLIC APPEARANCES 21-27 DECEMBER

AU272047 [Editorial Report] Sofia Domestic Service in Bulgarian in its newscasts monitored from 21 through 27 December reports the following public appearances of Bulgarian leaders (time and date of each broadcast given in parentheses):

Georgi Yordanov, candidate member of the BCP Central Committee and chairman of the Intellectual Development Council and the Committee for Culture, attended a festive meeting at Sofia's National Opera to mark the 50th birthday of the renowned opera singer Nikolay Gyuzelev, who received the Georgi Dimitrov Order. (2000 GMT 23 December) Yordanov also attended a performance of "Boris Godunov" in Sofia's Lyudmila Zhivkova People's Palace of Sofia on the evening of 27 December to mark the opening of the Sofia music festival. (2000 GMT 27 December)

Stoyan Mikhaylov, secretary of the BCP Central Committee, also attended the Gyuzelev birthday celebration in Sofia. (2000 GMT 23 December) Mikhaylov also attended a festive meeting of the Bulgarian National Agrarian Union (BNAU) leadership, held in Sofia to commemorate the centenary of one of its founders Rayko Daskalov. (1830 GMT 26 December) Mikhaylov also attended the above performance of "Boris Godunov" in Sofia on 27 December. (2000 GMT 27 December)

Yordan Yotov, member of the Politburo and secretary of the BCP Central Committee, also attended the Gyuzelev birthday celebration meeting in Sofia. (2000 GMT 23 December) Yotov also attended the Sofia BNAU meeting in honor of Daskalov. (1830 GMT 26 December) Yotov also attended the above performance of "Boris Godunov" in Sofia on 27 December. (2000 GMT 27 December)

Stanko Todorov, member of the BCP Central Committee Politburo and chairman of the National Assembly, attended the BNAU meeting in Sofia in honor of Daskalov. (1830 GMT 26 December)

Chudomir Aleksandrov, member of the Politburo and secretary of the BCP Central Committee, also attended the BNAU Daskalov commemorative meeting in Sofia. (1830 GMT 26 December)

Dimitur Stoyanov, candidate member of the BCP Central Committee Politburo and minister of internal affairs, attended the annual meeting of the Spartak Levski Sports Association in Sofia. (1000 GMT 27 December) Stoyanov also was present at the above performance of the opera "Boris Godunov" in Sofia on 27 December. (2000 GMT 27 December)

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NEW CULTURAL-SCIENCE ASSOCIATON -- The Hemus Association was founded today; it will engage in foreign trade activity in the field of culture and science. Ivan (?Lukiev) was elected as the association's general director. Georgi Yordanov attended the inaugural meeting of the association. [Text] [Sofia Domestic Service in Bulgarian 1600 GMT 26 Dec 86 AU]

CHNOUPEK ON HIS VISIT TO CHINA, MONGOLIA

AU241030 Bratislava PRAVDA in Slovak 22 Dec 86 p 4

[CTK correspondent: "Minister Chnoupek on Visit to China and Mongolia; For the Common Benefit"]

[Text] Moscow (CTK correspondent) -- At the close ot his official visit to the PRC and Mongolia, Bohsulav Chnoupek, CSSR minister of foreign affairs, gave an interview to CTK and RUDE PRAVO and PRAVDA special correspondents.

Our talks in Beijing affirmed distinct shifts in political dialogue, Minister Chnoupek said. Hu Yaobang, general secretary of the Central Committee of the Chinese Communist Party [CCP], accepted the invitation to pay a visit to the CSSR, contained in the message of Gustav Husak, general secretary of the CPCZ Central Committee and CSSR president, which I had the honor of delivering to him in Beijing. On that occasion, Hu Yaobang invited our highest representative to visit China. Next year will see mutual visits by premiers Lubomir Strougal and Zhao Ziyang, and the visit by Wu Xueqian, Chinese minister of foreign affairs to the CSSR.

Agreement was reached on the need to further intensify contacts between parliaments, among organizations of the National Front, trade unions, and youth in science, education, culture, health care, tourism, and other spheres. We discussed cooperation between our ministries, he noted further.

Regarding the exchange of views on the key issues of international relations, it is necessary to stress that we are able to proceed from many identical or close positions of the two countries' governments. The Chinese declaration, that the PRC will not be the first to use nuclear weapons, is known. The PRC favors nuclear as well as conventional disarmament, and is against the militarization of space. In the spirit of the policy of coexistence it favors a political solution to all contentious problems, including the situation in all hotbeds of tension.

Even though there still exist between our countries differing views on some kinds of issues, the most important thing that links us is the will to strengthen mutual friendly relations for the benefit of socialism, peace, and progress.

Our talks in Ulaanbaatar fully reflected the fraternal socialist countries' efforts for higher quality cooperation in order to comprehensively involve the entire potential of socialism, Bohsulav Chnoupek stressed. The talks reflected the effort to consistently implement the principles of socialist internationalism, equality and mutual responsibility, advantageousness and assistance in the economic sphere, the initiative of every socialist country and the coordinated line in international affairs, comprehensive exchange of experience from the construction of socialism and their common generalization.

We exchanged views on how to further deepen relations along the state line, among representative agencies, and trade unions, youth, women's, and other social organizations, Minister Chnoupek said further. We also assessed topical issues of economic relations in broader contexts with respect to the fulfillment of the two countries' Program for Long-Term Economic and Scientific-Technical Cooperation Up to the Year 2000.

Communique on Chnoupek Visit

AU241920 Bratislava PRAVDA in Slovak 22 Dec 86 p 4

[CTK report: "Communique on B. Chnoupek's Visit to the Mongolian People's Republic"]

[Text] Ulaanbaatar (CTK) -- The following communique was issued at the end of B. Chnoupek's visit to Mongolia:

Bohuslav Chnoupek, CSSR minister of foreign affairs, paid an official friendly visit to the Mongolian People's Republic [MPR] on 18-20 December at the invitation of the MRP Government.

He was received by Comrade Jambyn Batmonh, general secretary of the Mongolian People's Revolutionary Party [MPRP] Central Committee and chairman of the Presidium of the People's Great Hural. In a cordial and comradely talk, the Mongolian representative informed him about the developing initiative and endeavor of the working people of the MRP aimed at fulfilling the resolution of the 19th MPRP Congress. Comrade B. Chnoupek acquainted him in detail with the line of the 17th CPCZ Congress.

Comrade B. Chnoupek also met with Choynoryn Suren, deputy chairman of the MRP Council of Ministers and chairman of the Mongolian part of the Czechoslovak-Mongolian Intergovernmental Commission For Economic and Scientific-Technical Cooperation.

During his stay in the MPR, the Czechoslovak minister laid a wreath at the tombs of the founders of the MPRP and the Mongolian people's state, Damdiny Sukhe Bator and Horlogiyn Choybalsan. In Ulaanbaatar, B. Chnoupek inspected one of the plants of the leather-processing and footwear industry which bears Klement Gottwald's name, and visited some cultural institutions.

B. Chnoupek, CSSR minister of foreign affairs, and Mangalyn Dugersuren, MPR minister of foreign affairs, conducted talks which were held in an atmosphere of sincere cordiality, mutual comradely understanding, and an absolute unanimity of views.

The ministers noted, with satisfaction, that the relations of friendship and cooperation between the CSSR and the MPR are developing on the principles of Marxism-Leninism and socialist internationalism, in full accord with the treaty of friendship and cooperation of 1973 and the program of long-term economic and scientific-technical cooperation between the CSSR and the MPR up to the year 2000. The two sides stressed that the close cooperation between the CPCZ and the MPRP is the foundation of Czechoslovak-Mongolian relations. The meeting between Comrade Gustav Husak, general secretary of the CPCZ Central Committee and CSSR president, and Comrade Jambyn Batmonh, general secretary of the MPRP Central Committee and chairman of the Presidium of the great People's Hural, in Prague last August has become a distinct impetus for the further all-round development of fraternal relations. The ministers stressed the exceptional importance of the Moscow meeting of the highest representatives of the CEMA member-states, which has ushered in a new stage of multilateral and fruitful cooperation among these fraternal states while enhancing the effectiveness of the socialist economic integration.

In the course of an exchange of views on topical and international problems, the two sides voiced a profound alarm over the escalation of the arms race, above all the nuclear arms race, and the aggravation of the situation in the hotbeds of tensions in various parts of the world. [paragraph continues]

The policy of the most aggressive imperialist circles, especially of the United States of America, is oriented toward upsetting the existing relative military-strategic balance in the world, toward escalating war preparations through the militarization of space, toward asserting the doctrine of neoglobalism in relations vis-a-vis all revolutionary and progressive forces. The ministers stressed the historic importance of the far-reaching the constructive initiatives and practical steps of the Soviet Union and the other socialist countries, which strive for the elimination of all types of nuclear and other weapons by the year 2000, and for creating a comprehensive system of international peace and security.

The sides valued the fact that -- thanks to the bold Soviet proposals -- the meeting of the highest USSR and U.S. representatives in Reykjavik demonstrated the realistic nature of the hopes for achieving far-reaching agreements in the struggle for nuclear disarmament. They regard as vitaily important the continued search for ways to reach agreements between the Soviet Union and the United States on a whole complex of offensive nuclear and space weapons so that it might be possible to initiate concrete measures aimed at nuclear disarmament and averting the militarization of space. The ministers categorically condemned the U.S. steps against the SALT I and SALT II treaties, which slow down the nuclear arms race, particularly in the key sphere of strategic offensive weapons. In this connection, the ministers welcomed the declaration of the USSR government that it will continue observing the limits contained in the two aforementioned agreements. At the same time, they call on the American Government to reassess its stance in that issue and proceed as the Soviet Union does.

The ministers received with understanding the Soviet Government declaration of 18 December 1986 on the decision to end the unilateral moratorium on nuclear explosions following the first American nuclear test explosion in 1987. They expressed the view that the United States must halt nuclear tests and thus contribute to starting talks on a complete and universal ban of nuclear weapons tests.

It was stressed that the most urgent task of the present is to deepen the common effort of the socialist countries and all peaceloving forces on our planet in the struggle for the elimination of nuclear weapons, for creating a world without nuclear treat. In this connection, the two ministers noted the exceptional global importance of the Delhi declaration on the principles of a world without nuclear weapons and violence.

The results of the first stage of the Stockholm Conference on Confidence-Building Measures and Security and Disarmament in Europe, too, were assessed. The two sides shared the view that at the Vienna follow-up meeting it will be necessary to strive to strengthen the spirit of Stockholm by adopting concret measures aimed at the continuation of the Europewide process and launching practical talks leading to fundamental limitations on conventional weapons in Europe. The Mongolian side supported the Czechozlovak proposals to convene an international forum of European countries on economic cooperation.

The proposals for a far-reaching reduction of conventional weapons and armed forces, contained in the Budapest appeal of the Warsaw Pact member-states, addressed to the NATO member-states and all other European states, correspond to the vital interests of all European countries. The MPR fully supported the CSSR and the GDR initiative aimed at establishing zones free of nuclear and chemical weapons in central Europe.

The Mongolian side expressed its full support for the CSSR's active foreign policy activity aimed at strengthening peace and socialism, at reducing the level of military confrontation in Europe and in the world.

The two sides expressed their firm conviction about the necessity to consistently strive with united strength of all intersted states, all nations, and social forces, to strengthen peace and guarantee security in the Asian-Pacific region. It was stressed that a joint search for ways leading to a political settlement of conflict situations and to reducing military confrontation, including nuclear confrontation, in various parts of the Asian continent, are particularly topical today.

The proposals submitted by Comrade M. Gorbachev in Vladivostock aimed at creating a zone of peace, good neighborly relations, mutually advantageous cooperation in Asia and the Pacific, and foundations for a comprehensive system of international security in that part of the world which would also contribute to the achievement of these objectives.

The CSSR minister of foreign affairs welcomed the MPR proposal to set up an international mechanism which would exclude the use of force in relations among the countries of Asia and the Pacific, and its endeavor oriented toward strengthening peace, mutual assistance and cooperation in Asia and the Pacific.

In this connection, B. Chnoupek positively assessed the decision of several communist and workers parties of the Asian and Pacific countries to convene in Ulaanbaatar a consultative meeting on these vitally important issues.

The two sides are in favor of the development of relations with the PRC in the interest of peace and socialism in Asia and throughout the world. The sides assessed as positive the declaration of the PRC government that it will not be the first to use nuclear weapons, and its declaration on halting nuclear tests in the atmosphere, and on the necessity to prevent the militarization of space. A categorical support was voiced for the efforts of the Governments of the SRV, the Lao People's Democratic Republic, and the People's Republic of Kampuchea aimed at establishing peace in Southeast Asia, at establishing relations of goodneighborliness and cooperation with adjoining states.

The MPR and the CSSR affirmed their solidarity with the struggle of the Korean people for a peaceful unification of the two countries on a democratic foundation, supported the constructive proposals of the DPRK Government aimed at the withdrawal of American troops and weapons from the southern part of the Korean Peninsula, and at transforming it into a nuclear-free zone.

The two sides affirmed their solidarity with the people and the Government of the Democratic Republic of Afghanistan [DRA]. The need to halt the undeclared war against the DRA and to speedily resolve the situation through political means on the basis of the proposal of the DRA Government were stressed. The two sides assessed the further escalation of U.S. hostile actions against Nicaragua and expressed their solidarity with the heroic struggle of the Nicaraguan people. It is necessary to strive for a total and immediate halt to the hostile actions abainst that cuntry, and for a political settlement of the situaton in the region on the basis of the proposals of the Nicaraguan Government and the Contadora Group. The ministers declared that the results of the eighth conference of the heads of states and governments of the nonaligned countries in Harare demonstrated the growting positive role of the Nonaligned Movement in the issues of war and peace, in the struggle for the democratization of international political and economic relations.

The ministers favor the further strengthening of the role of the United Nations as an important instrument of general peace and security, and for enhancing the authority of that universal international organization. The two sides positively assessed the results of the 41st session of the UN General Assembly, which favored nuclear disarmament and supported the idea to establish a comprehensive system of international peace and security.

The ministers expressed a profound satisfaction with the results of their talks. They are convinced that the current visit by the CSSR Minister of Foreign Affairs to the MPR will significantly contribute to strengthening the two countries' fraternal friendship and to the further activation of their cooperation in the international arena in the interest of peace and socialism. Comrade Chnoupek conveyed to Comrade Dugersuren the CSSR Government's invitation to pay a visit to the CSSR at a date which will be set later. The invitation was accepted with thanks.

FOJTIK, BERECZ DISCUSS IDEOLOGICAL COOPERATION

AU231144 Prague RUDE PRAVO in Czech 19 Dec 86 p 1

["Z"-signed report: "On CPCZ and MSZMP Experience in Ideological Work"]

[Text] Prague (Z) -- During his working visit to the CSSR, Janos Berecz, secretary of the MSZMP Central Committee, held talks with Jan Fojtik, candidate member of the Presidium and secretary of the CPCZ Central Committee. The talks were devoted to topical issues of ideological work and to further deepening the cooperation between the CPCZ and the MSZMP, especially as regards enhancing the coordination, offensiveness, and effectiveness of the work of the mass media.

Janos Berecz also paid a visit to the Czechoslovak Television Center at Kavci Mountains, inspected its facilities, and met with leading representatives of the Czechoslovak information media.

The deliberations and talks were attended by Zdenek Horeni, member of the Secretariat of the CPCZ Central Committee; Ludovit Pezlar, member of the Presidium and secretary of the CPSL Central Committee; Vasil Bejda and Otto Cmolik, heads of CPCZ Central Committee departments; and by Jan Zelenka, central director of Czechoslovak Television. Bela Kovacs, Hungarian ambassador to the CSSR, was also present.

Berecz Ends Visit

AU231145 Prague Rude PRAVDO in Czech 20 Dec 86 p 1

["Z"-signed report: "Hungarian Guest Has Left"]

[Text] Prague (Z) -- Janos Berecz, secretary of the MSZMP Central Committee, who had paid a brief working visit to the CSSR, left Prague on 19 December.

He was seen of at Ruzyne Airport by Jan Fojtik, candidate member of the presidium and secretary of the CPCZ Central Committee. heads of departments of the CPCZ Central Committee Vasil Bejda and Otto Cmolik, and Bela Kovacs, ambassador of the Hungarian People's Republic to the CSSR were present.

CEMA STORAGE FACILITY CONSTRUCTED AT RUZYNE

LD24029 Prague CTK in English 1546 GMT 23 Dec 86

[Text] Prague Dec 23 (CTK) -- The largest and most modern food storage facility in the Council for Mutual Economic Assistance member states has been built at Ruzyne on the northern outskits of Prague.

With a storage area of 40,320 square metres, the facility uses progressive storage systems and unique equipment. The first stage of the complex was completed in 1978, with second in 1984. The third stage -- a technical services facility, package store and more vehicle workshops -- is now under construction with the first two in full operation. The whole complex will be finished within the 1986-1990 five-year plan period. One half of all foodstuffs for the inhabitants and visitors of Prague passes through the Ruzyne storehouse. It also supplies food to first-class hotels in Bohemia and Moravia and special Eso food shops. 240 producers deliver 6,000 types of food to the storage facility which supplies them to 1,700 customers.

PRAGUE TV REPORTS ALMA-ATA PARTY SESSION

LD232205 Prague Television Service in Czech 2100 GMT 23 Dec 86

[From "24 hours" program]

[Text] A session of the Bureau of the Kazakh Communist party Central Committee was held in Alma-Ata today. It discussed the measures to eliminate serious shortcomings in party organizational and ideological work, in selection and placing of cadres, and the internationalist upbringing of the population, especially young people.

The unhealthy phenomena which took place on 17 and 18 December in Alma-Ata make it necessary to pay special attention to internationalist upbringing, and to carry out a restructuring of the entire party political work with the masses, in working collectives and schools.

The bureau expressed itself resolutely for the strict observance of the Leninist principles of selection and placing of cadres, and against the distortions in cadre policy that have taken place.

It was noted that for a long time criticism and self criticism, democratic norms and provisions of information to public had virtually been absent in the republic's party organization. The bureau directed the party organizations to eliminate fully these shortcomings and errors.

ARAB LEAGUE'S CHEDLI KLIBI INTERVIEWED

AU231111 Prague RUDE PRAVO in Czech 18 Dec pp 1, 7

[Interview with Chedli Klibi, general secretary of the Arab League, by Milan Madr, RUDE PRAVO special correspondent in Tunis: "Arab League in Today's World" -- in Tunis "recently" -- initial paragraph is paper's introduction]

[Excerpts] Chedli Klibi, general secretary of the Arab League, recently gave an interview on the activity of the Arab League to Milan Madr, RUDE PRAVO special correspondent in Tunis. Tunis is the seat of the Arab League. [passage omitted]

[Madr] Do you see any new elements when searching for the solution to the Iraq-Iran conflict?

[Klibi] Yes, there are new elements, but they are negative. Like the rest of the world, we too were surprised when we found out that some states are pouring oil on the fire which blazes in the region of the (Persian) Gulf. [paragraph continues]

We thought that the United States was interested in halting the conflict which endangers countries with which it has close ties of cooperation and which live under the threat of the still existing possibility that the conflict will spread, but we have ascertained that that same country has for quite sometime, directly or indirectly, been delivering weapons to Iran. By doing that, it has supported destabilization in a region which is certainly important to us, and which is strategic importance for the world economy.

Moreover, that operation attests to the United States making use of Israel's good and loyal services.

Thus, you can see that this new element in the Iraq-Iran war is not only negative but also disquieting. We thought that the two largest world super powers -- the United States and the USSR -- had set themselves the objective to work for peace in that region. But now we find out that certain national interests are gaining the upper hand over peaceful intentions and that Israel is capable of manipulating certain functionaries [cinitele] of one of the superpowers -- in this case the United States -- to develop activity for the benefit of Israeli interests. And what are these interests? According to Peres, Shamir, and, naturally, Sharon, anything that can weaken an Arab state -- a state as important as Iraq -- can only support the Israeli hegemony in the region.

Unfortunately, we also ascertain that other states, too, were more or less involved in these deliveries of weapons to Iran. It is all the more regrettable that it shows to what extent it is possible to forget the principles of peace and freedom of nations when dirty material interests are involved.

In these conditions, one must fear that the conflict between Iraq and Iran, which is still a regional conflict, might -- as the consequence of that interference from all sides -- become an international conflict which would directly imperil peace and international security.

[Madr] How do you assess the level of cooperation among Arab states? What, in your view, are the obstacles which prevent convening an Arab summit conference?

[Klibi] We very often observe that the Western countries, socialist countries, and even African countries assess the activity of the Arab League or the inter-Arab collaboration only according to their political aspects. It is true that in the political sphere we are facing problems which are difficult to solve, and over which views differ. That is natural. The more complex problems are, the more the views which pertain to them differ.

One must know that, in addition to political activity, we are organizing many other activities which yield considerable results. Here I would name the economic, social, and cultural spheres....For these various sectors we have almost 20 specialized organizations which are developing activity under the aegis of the Arab League.

[Madr] What causes the difficulties in the political spheres?

[Klibi] We are facing certain difficulties which are the consequence of the fact that the problems which we have to solve are almost unsolvable through Arab efforts alone. The conflict between Iraq and Iran is such a case. Then there is the Palestinian problem, which our states have not been able to solve in almost 40 years. Let us recall that the Arab countries have not accepted the principle of the division of Palestine, adopted by the UN in 1947. However, as time went by, the Palestinian people and the Arab states have accepted what is called the UN legality, and thus also the division, although their opinion is that international law is unjust (in this matter). This thought was voiced for the first time by President Bourguiba in 1965.

But matters have become complicated here. Until now, Israel has been pretending that it accepts international law and let it be up to the Arabs to reject it. Now, when the Arabs are accepting solutions within the framework of international law, it is Israel who rejects the idea of division.

As for us, we stand on the positions of the solution proclaimed by the international community. We have incorporated it in our Fes Plan. [passage omitted]

[Madr] What is the Arab League's position on an international conference being held, one which would devote itself to solving the Middle East problem, and on setting up a preparatory committee for such a conference?

[Klibi] We agree with such a proposal. We accept and support everything that can bring us nearer to the peace process in accordance with international law. Therefore, we noted with satisfaction the proposal of the Soviet Union and other socialist states in this matter, as well as the French-Soviet declaration aimed at the same objective.

But Israel has rejected that proposal because its plan is by one means or another to annex the entire Palestinian territory and never to return the territories which it occupied in 1967. For Peres, as well as for Shamir, this is "Israeli land" and the Arabs are to get nothing back. The contemporary repressions by Israeli troops on Jordan's West Bank have only one objective: Sooner or later to drive the Palestinians out of that territory and Gaza.

[Madr] Where do you see the danger of such a situation and its relationship with the discussed problem of terrorism?

[Klibi] It is necessary to warn against the dangers of such a situation. It nurtures unrest in the occupied territories and elsewhere. It also drives one to a feeling of hopelessness, and this, unfortunately, finds its expression in acts of violence, in what is called "terrorism," and what we, of course, condemn. But how is one to force young, desperate people, deprived of their land, flag, and passports, not to resort to violence?

Moreover, we note that the attitude toward terrorism is changing, depending on the interests of the moment: Iran used to be regarded asa terrorist state, and today weapons are being delivered to it which are to solve the topical problems of some, as well as Israel's problems connected with long-term strategy.

Combating terrorism should not only mean resorting to force to suppress violence. It is also necessary to look for the real reasons which lead to violence. In this lies the unique opportunity to resolve serious problems. It is necessary to go to the roots of evil to be able to eliminate it. [passage omitted]

EEC'S IMPORTANCE AS TRADING PARTNER EXPLAINED

AU090851 Prague RUDE PRAVO in Czech 3 Dec 86 p 6

["(AL)"-signed report in the "Answering Our Readers" column: "EEC-CSSR Trade Agreement"]

[Text] Reader R.M. from Plzen wrote us to ask whether there are any contractual relations between the CSSR and the EEC, and, if so, what possible amendments in these relations are envisaged for the future?

The EEC, a group of 12 European states -- the FRG, Britain, France, Italy, Netherlands, Belgium, Luxembourg, Denmark, Spain, Portugal, Greece, and Ireland -- is an important trading partner for us. The CSSR achieves 60 percent of the turnover in its foreign trade with the industrially developed capitalist states in this largest integrated sphere of the capitalist part of the world.

During the preceding period, the CSSR concluded three trade agreements with the EEC; all three concern individual branches: the agreement on textile exports, the agreement on exports of metallurgical products, and the agreement on exports of mutton. These agreements establish a contractual basis and, as the experts say, the necessary commercial-political scope for Czechoslovak exports to the EEC countries.

During the last few years the CSSR has been discussing with the EEC the possibility of concluding a trade agreement for individual branches, concerning such industrial consumer goods as glass, ceramics, footwear, furniture, and other products, the export of which to EEC countries is relatively large. A few days ago it was announced in Brussels that the EEC Council had approved the EEC commission's mandate to open negotiations on this agreement.

This agreement should further expand the commercial scope for Czechoslovak exports and establish prerequisites for regular consultations of the two sides on all problems cropping up in trade between the CSSR and the EEC. In the opinion of our experts, negotiations on this agreement and its conclusion will represent a positive contribution by both sides to the process of normalizing CSSR-EEC relations.

As we informed our readers on Friday 28 November, Jaroslav Kvacek, CSSR ambassador to Belgium, conducted negotiations with Willy de Clercq, member of the EEC Commission, on Thursday [29 November] in Brussels.

BRIEFS

YOUTH UNION CADRE CHANGES -- At its 18th plenary meeting in Prague on 16 December, the Central Committee of the Socialist Youth Union [SSM] released V. Pravda from the posts of secretary of the SSM Central Committee, and chairman of the SSM Central Committee Ideology Commission in connection with his "transfer to a leading function in the cultural field," and V. Fajman from the post of head of the SSM Central Committee's University Students Department. The SSM Central Committee session further coopted J. Janosovsky as member of the SSM Central Committee and chairman of the SSM Central Committee's Ideology Commission. J. Baryl, secretary of the SSM Central Committee, was elected member of the SSM Central Committee Presidium and S. Jasek was elected head of the SSM Central Committee's University Students Department. Z. Tesarova, secretary of the Czech SSM Central Committee was elected deputy chairman of the SSM Central Committee. [Summary] [Prague MLADA FRONTA in Czech 17 Dec 86 pp 1,2]

JOURNALISM PROTOCOL WITH USSR -- Jan Risko, chairman of the Central Committee of the Czechoslovak Union of Journalists, and Georgiy Bedeneshvili, secretary of the USSR Union of Journalists, signed a protocol on cooperation for 1987 in Prague on 17 December. [Text] [Prague RUDE PRAVO in Czech 18 Dec 86 p 2 AU]

HONECKER SENDS GORBACHEV MESSAGE ON MINE ACCIDENT

LD261919 East Berlin ADN International Service in German 1745 GMT 26 Dec 86

[Text] Berlin, 26 Dec (ADN) -- Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR Council of State, has sent the following message to Mikhail Gorbachev, general secretary of the CPSU Central Committee, and Andrey Gromyko, chairman of the Presidium of the USSR Supreme Soviet:

Please accept my sincere sympathy on the tragic accident in the "Yasinovskaya-Glubokaya" mine in the Donetsk area.

I ask you to please convey to the families and relatives of the victims as well as the workers and technical personnel of the mine my deeply felt sympathy.

SOLIDARITY AID DISPATCHED TO VARIOUS COUNTRIES

LD221454 East Berlin ADN International Service in German 1305 GMT 22 Dec 86

[Excerpts] Berlin, 22 Dec (ADN) -- Four Deutfracht/Seereederei ships left the GDR in December with solidarity goods on board for ports in Angola, Mozambique, Cambodia and Nicaragua. These relief consignments of the GDR for peoples in Africa, Asia and Latin America are examples of the internationalist work of the citizens from all classes and strata during 1986, Kurt Seibt, president of the Solidarity Committee, said in an ADN interview.

He said that this year solidarity goods worth over M200 million were sent. Thanks for this was due to all the citizens -- the members of the FDGB, the young generation, the members of the armed organs, the members of the Peasants' Mutual Aid Association, the Democratic Women's League, and the Journalists' Union, the artisans and self-employed, artists and cultural workers, all the social and state organizations and institutions, as well as the churches, religious communities and their charities. [passage omitted]

This year's agreements on solidarity aid had been honored to their full extent. The support for the "7th April" Hospital in Phnom Penh, the Hospital of Friendship and the Institute for Rehabilitation and Orthopedics in Hanoi was continued, above all with the supply of medicines and medical equipment. Four interflug charter aircraft transported solidarity goods to Afghanistan. On the return flight, casualties were taken for medical attention and young Afghan citizens for training to the GDR.

A large part of all these services, Kurt Seibt stressed, had been intended for children. In cooperation with the UNICEF National Committee of the GDR, vaccines, medical supplies and clothing were despatched.

FDGB EXECUTIVE ADDRESSES INDIAN TU CONGRESS

AU241120 East Berlin NEUES DEUTSCHLAND in German 19 Dec 86 p 5

[Text] Delhi (ADN) -- The FDGB and the All-Indian Trade Union Congress (AITUC) are united in the struggle for peace, disarmament and social progress. This is what Johanna Toepfer, deputy chairman of the FDGB Federal Executive, stated on 17 December before the more than 3,000 delegates to the 33d AITUC Congress in Baroda. The FDGB highly values the efforts and activities of AITUC to impart an even greater worldwide significance and impact to India's commitment to peace -- regardless whether within the Nonaligned Movement or within the 6 states' initiative.

It is with deep satisfaction that the GDR working people and trade unionists have welcomed the proposals for a world without nuclear weapons and violence, submitted by Prime Minister Rajiv Gandhi and Mikhail Gorbachev, general secretary of the CPSU Central Committee in Delhi, Johanna Toepfer pointed out.

The GDR also emphatically supports the proposals made by India and by other adjacent states to transform the Indian Ocean into a zone of peace, free from military bases. The head of the delegation of the FDGB Federal Executive appreciated the struggle of AITUC for the consolidation of India's independence, unity and integrity. The enterprising activity of AITUC for initiating the action unity of the workers class and of its trade unions in the struggle to defend the gains of the working people also deserves recognition and sympathy.

In a letter of greetings to the 33rd AITUC Congress, Harry Tisch, chairman of the FDGB federal executive, underscored the responsibility of the two trade union federations as active members of the World Trade Union for the preservation of peace, and for social progress and detente. The two organizations are at one in the struggle against the dangers of a nuclear war, against the militarization of outer space planned by the most aggressive quarters of U.S. imperialism, as well as against the imperialist policy of hegemony, it is said in the letter.

SED'S KRENZ RECEIVES MONGOLIAN PARTY DELEGATION

AU241144 East Berlin NEUES DEUTSCHLAND in German 19 Dec 86 p 2

[Excerpts] Berlin (ADN) -- Egon Krenz, member of the Politburo and secretary of the SED Central Committee, on 18 December received a delegation of the Central Committee of the Mongolian People's Revolutionary Party [MPRP] under the leadership of Lubsangombyn Molomjamts, candidate member of the Central Committee and head of the administrative section of the MPRP Central Committee.

During the cordial meeting, Egon Krenz briefed the Mongolian guests about the consistent implementation of the decisions of the 11th SED Congress and the multifaceted initiatives of the working people for the comprehensive strengthening of socialism and for securing peace, which are related to these decisions. [passage omitted]

Participating in the talks was Wolfgang Herger, member of the Central Committee and head of the SED Central Committee department for security affairs, and Ragschaabasaryn Shamts [spelling as published] ambassador of the Mongolian People's Republic, was also present.

During the study visit, the MPRP delegation will acquaint itself with the SED's experiences, particularly in the field of defense and security policy.

WESTERN ENVOYS TO ATTEND NEW YEAR FESTIVITIES

LD241201 Hamburg DPA in German 1038 GMT 24 Dec 86

[Excerpt] Bonn/Berlin; 24 Dec (DPA) -- The ambassadors of the three Western protecting powers resident in the GDR will attend the festive concert in East Berlin on New Year's Day to open the year of the 750th anniversary celebrations of the city of Berlin. The decision was taken today after extensive consultations among the three Western protecting powers, it was learned from informed sources.

The representatives of the United States, Great Britain and France, according to reliable information, reached the decision to allow their ambassadors in East Berlin to attend, "putting aside fundamental reservations." The decision could also have an influence on the attendance of State Secretary Hans-Otto Braeutigam, head of the Federal Republic's permanent representation in East Berlin, who has also been invited.

A decision had been delayed for weeks, because France had spoken out strongly against acceptance of the invitation from GDR Council of State Chairman Erich Honecker to the opening concert in the Schauspielhaus. As DPA also discovered, France objected that acceptance of the invitation would give the GDR regime an unnecessary political boost. Consequently, intensive consultations made further meetings necessary. [passage omitted]

FRG Envoy To Attend

LD291209 Hamburg DPA in German 1135 GMT 24 Dec 86

[Text] Bonn/Berlin, 24 Dec (DPA) -- State Secretary Braeutigam, head of the FRG permanent representation in East Berlin, will also attend the festive concert, informed sources said in Bonn. It was also said that the attendance of the ambassadors of the three Western protecting powers did not represent a negative alteration to the status of Berlin. Federal Foreign Minister Hans-Dietrich Genscher (FDP) also expressed this view when he "interceded in favor of attendance" with the Western partners.

BRIEFS

SWEDEN SIGNS TRADE PROTOCOL -- On 11 December the 13th session of the GDR-Sweden mixed commission on the long-term trade agreement and the 9th session on the agreement on economic, industrial, and technical cooperation concluded in Stockholm. During the deliberations, the two sides noted in concert that their economic relations have positively and dynamically developed since the meeting between Erich Honecker, general secretary of the SED Central Committee and chairman of the GDR State Council, and Ingvar Carlsson, the Swedish prime minister. Proceeding from the program for the further development of trade and economic relations between the GDR and Sweden signed on the occasion of the state visit, protocols were agreed upon from 1987 which envisage trade promotion measures and activities for the further deepening and expansion of these relations. [Text] [East Berlin NEUES DEUTSCHLAND in German 12 Dec 86 p 2 AU]

SED DELEGATION IN UK -- An SED Central Committee delegation headed by Roland Bauer, Central Committee member, met for a talk in London with Gordon McLennan, general secretary of the Communist Party of Great Britain. At the cordial and friendly meeting, Roland Bauer reported on the resolutions of the 11th SED Congress and the 3d Central Committee meeting. Gordon McLennan reported on the policy of his party. The partners in the talk agreed in their views on the joint struggle for peace and disarmament and stressed the importance of the Soviet disarmament proposals to avert the danger of a nuclear war. [Text] [East Berlin NEUES DEUTSCHLAND in German 4 Dec 86 p 2 AU]

HETENYI'S REPORT AT DRAFT BUDGET DEBATE

AU241011 Budapest NEPSZABADSAG in Hungarian 20 Dec 86 pp 1, 2

[Unattributed report on Finance Minister Istvan Hetenyi's report in the draft budget debate in the winter session of the National Assembly held on 19 December: "The Finance Minister's Expose" -- capitalized passages published in boldface]

[Text] "The budget submitted to the National Assembly is based on the economic development goals formulated in the decisions of the 13th MSZMP Congress and in the Seventh 5-Year Plan and it contributes to the implementation of these goals" -- said the finance minister in his introduction. "These goals continue to set our economic direction, although the current year is burdened with serious problems in addition to the definite results achieved. The country and its citizens have prospered economically, but this is not supported by an adequate increase in performance that could guarantee a lasting basis for social progress. Therefore, INTENSIVE DEVELOPMENT REQUIRES COMPREHENSIVE AND, IN A CERTAIN RESPECT, RADICAL CHANGES THAT CONTRIBUTE TO THE ACCELERATION OF ECONOMIC PERFORMANCES.

"The strengthening of the necessary unity of action for this purpose requires the support of the National Assembly.

"Next year's budget counts on the experiences of the current year. Unfortunately, the budget's incomes in 1986 will only approach the planned figures and expenditures are expected to exceed planned figures by 3 percent. The planned deficit aimed at accelerating the economy will be considerably exceeded by the real one. The budget deficit for January-November 1986 was 23 billion forints higher than in the same period last year. The main reason for this state of affairs is that the produced income increased by only 5 percent instead of the planned 7.5 percent in current prices, and in unchanged prices it increased by only 1 percent compared to the 2.5 percent planned. Delays in renewal, inadequate management, and the low efficiency of several enterprises' activity are all lasting factors behind this lagging behind. In addition, the damage caused by drought and the fall in prices of food and other export articles have also diminished our income. But WE COULD HAVE AVOIDED SOME OF THIS LAGGING BEHIND IF THERE WERE DYNAMIC DEVELOPMENTS IN INDUSTRIAL INCOMES AND EXPORTS, IF BUDGET MANAGEMENT WERE MORE EXIGENT, AND IF THE DEVELOPMENT OF THE PRODUCTION STRUCTURE WERE MORE CONSISTENT."

Istvan Hetenyi then mentioned the fact that real wages and real income were increasing beyond the planned figures. Concerning the majority of the comprehensive indicators of the standard of living, the goals set for 1987 in the current Seventh 5-Year Plan have already been achieved. This, however, is not due to more efficient economic activity but to the fact that there has been a weakening of the relations between wages outflow and performances. This practice cannot continue.

"In addition to a slow increase in income of the people's economy, state investments will develop as planned and the investments made by enterprises will increase beyond the planned figures, by 8 to 10 percent in current prices. All these together have led to a deterioration in our economic balance, and instead of the planned reduction or stagnation, our stock of debts registered a considerable increase.

"The shortcomings present in the government guidance are also reflected in these processes. We have not always undertaken to differentiate income consumption in accordance with the amount of income produced in various places. [paragraph continues]

Although there have been intentions and useful partial measures to change the unfavorable processes, these intentions were not determined enough and the measures taken were not bold enough, and were even inconsistent in certain cases. In order to achieve successes, we have to carry out these measures more consistently by also accepting temporary casualties.

"The basis for budget planning is the annual people's economic plan for the year 1987. The people's economic plan for 1987 stipulates an increase in the volume of national income of at least 2 percent. This seemingly not too high goal exceeds the average development rate of past years. This task is also demanding because WE HAVE TO ACHIEVE THIS GROWTH ALONG WITH AN IMPROVEMENT IN THE FOREIGN ECONOMIC AND DOMESTIC FINANCIAL BALANCE; WE ARE NOT PLANNING AND CANNOT PLAN AN INCREASE IN DOMESTIC CONSUMPTION.

"On one hand, next year's program maintains and strengthens the positive elements of sound measures and practice; on the other hand, however, it also contributes to the competitiveness and modernization of production through new elements. The new banking system will contribute to the flow of public capital and the economic regulators will better serve efficient economic development. In accordance with our possibilities, we will expand the economic conditions of efficiently operating enterprises and will limit the activity of inefficient enterprises more. We will encourage those who follow the new trends of technological development and will more consistently ensure distribution in accordance with performance, and we will also see to it that the disproportions are corrected.

In line with the stipulations of the people's economic plan for 1987, the planned income of the state budget for 1987 is 606.9 billion forints, and its expenditure is 650.7 billion forints; there is a deficit of 43.8 billion forints. Incomes will exceed the expected level for the current year by approximately 6 percent, and expenditures will exceed this level by 5.5 percent. The major income of the state budget derives from the socialist enterprises and cooperatives and these sectors are expected to pay 328 billion forints -- to balance their incomes and subsidies -- which is 20 to 21 billion forints more than in the current year. In planning the enterprise incomes, we are counting on an 8-percent increase in national income in current prices. The planned increase in net enterprise incomes is 7 percent. In spite of the difficult situation, WE HAVE ENDEAVORED TO AVOID A GENERAL INCREASE IN TAXES. THIS CAN PROVIDE THE ECONOMIC SPHERE WITH CONDITIONS FOR LAYING THE FOUNDATIONS OF BETTER PERFORMANCES.

"The fact that -- according to the plan -- the volume of consumption remains at the current year's level, while investments in the infrastructure directly connected to producers and production will increase, also serves this aim."

Istvan Hetenyi then spoke about the multifaceted measures aimed at promoting favorable changes in economic activity.

"Beyond the average figures, we expect multifaceted internal changes in the area of a genuine adjustment to the main trends of international development, a favorable modification of the economic structure, the acceleration of technological development and an increase in efficiency, and rational budget management. We will assist all these with a series of new measures, but without a thorough modification of the current system of prices and taxes. We will reduce tax execptions and specific subsidies in cases where these were established for assistance purposes and not in order to fulfill a national and people's economic interest. As a result, we are counting on the decline of several inefficient activities and we will gradually eliminate some inefficient pits in the mining industry; some inefficiently operating iron mills will also be closed. On the other hand, economic guidance provides us with support and encouragement in our endeavor to implement our central efforts. [paragraph continues]

Export and other development subsidies that can be obtained through competition will continue to contribute to the implementation of our outstanding goals like, for example, in the case of housing construction in the capital and certain technologies and automation processes for environmental protection and for the introduction of electronics. The new measures, by which invention costs can, in future, be accounted as expenses, also contributes to technological development. I would also like to stress that, in spite of the difficult situation, we will entirely guarantee the financial sources stipulated in the 5-year plan for the national scientific research fund.

"The fact that procurement prices are increasing and that we will reduce the prices of artificial fertilizers and the taxes on household plot production is a favorable development for agriculture, and mainly for animal husbandry. The government will help units that suffered considerable damage caused by the drought and, based on public tender, it will ease the debt burden of greatly indebted units which can achieve profitable economic activity.

"We will also achieve progress in factors contributing to the enterprises' independence. We count on the fact that, following the initial accumulation of experience, the enterprises will see an increasing number of advantages in the new forms of enterprise management and will also use them in the future. In order to achieve this, it is necessary for the bodies to place higher demands on economic leaders and to also assert the long-term viewpoints of economic activity.

"Beginning with 1987, there will be wider and freer possibilities for various associations between enterprises. We will encourage the establishment of new and smaller-size socialist enterprises with tax benefits.

"The above-mentioned two-tier banking system, in which independent commercial banks will be established, represents a revolutionary step. One of the guarantees of the new type of business policy of these banks is that they will operate with the ownership participation of several hundred enterprises."

Hetenyi also mentioned that the first steps have already been taken in the joint development projects and in the creation of joint ventures decided upon in the high-level agreements of the CEMA member countries. We attribute outstanding long-term importance to these ventures, and we are regrouping funds to assist in the implementation of these tasks.

Dynamic enterprises that are quickly amortizing their development projects and which are producing profitable and marketable articles, together with the greater openness of units that are forced to face difficulties can contribute to a situation in which A STRUCTURAL ORGANIZATION, AN INCREASE IN THE PROPORTION OF PROFITABLE SECTORS, AND BETTER WORK ON EVERYONE'S PART BECOME THE SOURCE OF THE INCREASE IN INCOME PRODUCED IN THE PEOPLE'S ECONOMY.

The finance minister then spoke about the fact that it was impossible to postpone the modification of wage regulations, because it had become necessary to avoid the continuation of a practice in which the income from work increased faster than net income. [sentence as published]

"This year's income outflow that is not supported by performances already represents a strong inflationary pressure. Therefore, IT HAS BECOME UNAVOIDABLE TO EXPECT A 7-PERCENT INCREASE IN CONSUMER PRICES, A BIGGER INCREASE THAN IN THE CURRENT YEAR. And this also means that in the course of the next year, we will be forced to also increase the official price of certain consumer goods. In cases where there is an increase in the official prices of basic supply goods, in accordance with the practice so far, we wish to compensate people in need.

"A 7-percent increase in consumer prices and the planned 5-5.5 percent average increase in wages also means that real wages on a national level will not reach the current level, a level that exceeds the plan and is not substantiated by performances. I stress that we are talking about a national average, compared to which there will be changes upwards and downwards in accordance with performance."

"In achieving adequate performance in the people's economy, we continue to rely on the activity of the ancillary units. This is not in contradiction with the fact that -- in harmony with a certain degree of stricter income regulations -- we will increase the level of company tax levied on small ventures by an average of 4 percentage points and, with an increase in the so-called exchange-value tax by 5 percentage points, we will make it more realistic for the enterprises to choose between increasing their own performance or taking advantage of the performances of the small cooperative ventures.

"As transpires from the things said previously, we wish to achieve a strengthened economic balance not by increasing the general financial burdens, but by strengthening their incentive character. This, however, places increased emphasis on the need to save budget expenditures. Besides, we had to stipulate a larger deficit than in previous years. The increasing burden of servicing the deficit accumulated in the previous years plays a role in their larger projected deficit. According to the draft budget, we wish to cover the deficit from bank loans. We ask the approval of the National Assembly for this."

Among the budget expenditures, more than half of which serves for social security and institutional purposes, the finance minister pointed out four important areas: Social policy, health, education, and housing conditions. According to next year's plan, 61,000 dwellings will be constructed. "WE WILL INCREASE SUPPORT FOR YOUNG FAMILIES WHO ARE MOST IN NEED OF AN APARTMENT AND WHO ARE READY TO SAVE IN ORDER TO ACQUIRE AN APARTMENT OF THEIR OWN. The amount of local councils' funds for housing credits will increase from 900 million forints to 1,600 million forints. At the suggestion of KISZ, and in order to preserve the value of youths' savings for housing purposes, we will increase the premium paid on youths' savings accounts by an annual 1 to 3 percent, deepening on the duration of the savings, and we will also increase the ceiling for related extra credits in terms of percentage and absolute amount. Young people under the age of 30 will be able to limit the reinbursement of state loans in the first 3 years to merely paying back the interest. In addition, we have stipulated in a regulation that in years when the price of housing might exceed the 10-percent level, we will further compensate the bonus paid on the youth saving accounts.

"The social security expenditures that serve social policy will increase by 8 percent. These will cover the regular annual increase in pensions and the previously mentioned compensations. IT IS POSSIBLE FOR THE COUNCILS TO SOLVE THE PROBLEMS OF AN INCREASING NUMBER OF OLD-AGE PEOPLE NOT ONLY IN TOWNS, BUT ALSO IN VILLAGES AND SMALL SETTLEMENTS BY ORGANIZING SOCIAL CATERING, AID, AND CARE SERVICES. Thus, we will considerably increase the councils' social aid funds. We know that all this is still not enough, but we feel that there will also be progress in this matter next year."

Istvan Hetenyi than spoke about the employment of people whose capacity to work has changed, and about the new measures related to establishing a prosperity fund and stressed that the government is aware of and deals with the existing social problems, and is constantly working on alleviating these problems. In the course of planning the health care expenditures that play a considerable role in the institutional network, the minister pointed out two important goals: First, improvement of the health institutions' supply of instruments, even at the expense of establishing fewer hospital beds than in the current year -- but there will nevertheless be 1,100 new hospital beds next year. [paragraph continues]

Next year, for example, computer tomography will be in operation at several central and county hospitals. Second, a surplus fund will be allocated for outstanding medical programs like cardio-vascular ailments, tumor treatment, traumatology, psychiatry, and alcoholism, and the struggle against AIDS.

"We wish to alleviate crowding in the upper grades of the general schools, and we will prepare for the large increase in the number of secondary school pupils in the coming years. Therefore, in 1987 the school network will receive 800 additional general school classrooms and 500 secondary school classrooms; the widening of foreign language instruction, the introduction of optional teaching subjects in the general and high schools, and computer instruction represent a qualitative development in education.

"We need money in order to implement the budget tasks at a high level; but we need not only money, but also rational management commensurate with the tasks. Coordination of the justified requirements of the population and the narrow resources requires regular supervision, classification, and improvement of the internal organization of the network of budget institutions that is made up of more than 10,000 independent units, employing close to 800,000 people.

"The councils carry out the bulk of the state tasks related to the living conditions of the population. The new system of planning, regulations, and management has been introduced in the activity of the councils this year. As I mentioned last year, the fundamental aim of this new system is to increase the councils' independence and responsibility. It is commendable that the councils solved the complex tasks of shifting to the new system without major disturbances."

Istvan Hetenyi stressed the important role played by the councils IN IMPROVING THE PROBLEMS OF BACKWARD, SMALLER AREAS IN A DISADVANTAGEOUS SITUATION.

"In 1987 we will allocate 360 million forints for modifying the production structure of these disadvantaged areas.

"Our experiences warn us to formulate our goals by thoroughly evaluating the economic realities. We cannot give up progress. Therefore, there is a need for tough work, thorough thinking, and flexible adjustment for the implementation of the goals we set for next year, sometimes even a more conscious acceptance of tensions and frictions, and a more farsighted solution to them. The submitted budget wishes to provide incentives and support for this. I ask the esteemed National Assembly to adopt the draft budget for 1987."

[The following data appear boxed at the end of the item]

The Draft-Budget for 1987 in Figures [subhead]

In harmony with the people's economic plan, the 1987 budget counts on an 8-8.5 percent increase in the total income of the people's economy in current prices.

The state budget incomes will increase by 6.1 percent and its expenditures will increase by 5.7 percent. There is a 43.8 billion forints deficit in the balance of the budget, with a 606.9 billion forints of income and 650.7 billion forints of expenditures; this represents 3.7 percent of the value added (GDP) created in the people's economy.

The bulk of 1987 budget incomes continues to derive from payments made by enterprise economic organs; the stipulations for the income deriving from this area and reduced by subsidies stand at 327.8 billion forints, 6.7 percent more than in 1986.

Total payments made by enterprises will increase by 5.7 percent. Within this, as a result of the widening tax exemptions, the profit and income taxees will increase by some 9 percent -- less than the profits.

Subsidies provided to enterprises will exceed the amount allocated last year by 3.7 percent. A considerable part of this amount -- 62.2 billion forints -- will be allocated for consumer price subsidies and the planned maintenance of consumer prices. These allocations will increase by 9.6 percent. As a result of central measures, the stipulations for production subsidies will decrease by 7.6 percent.

The population will contribute a total of 60.1 billion forints to the state budget. The stipulations for income from taxes and levies stand at 17.3 billion forints, 17.6 percent more than in the current year. Among these, the major part is made up of tax payments made by associations: These will amount to approximately 9.6 billion forints in 1987, 1.8 billion forints more than in 1986. Budget incomes from taxes will increase by 13.5 percent; the sum earmarked is 3.2 billion forints. The population's social security and pension contributions will increase in proportion with the planned increase of taxable incomes; the sum earmarked is 42.8 billion forints.

The planned sum of the accumulation expenditures is 39.4 billion forints, 5.6 percent more than the expected sum. In addition to the direct support provided for investments, the sum earmarked will cover the increasing support provided for private housing construction and also the supplement necessary for the development funds of certain enterprises -- in order to assert the state's structural policy.

The sum earmarked for social security expenditures is 152.7 billion forints, 7.5 percent higher than the expected sum this year. Some 80 percent of the increase in expenditures derives from automatically asserted demographic factors and the increase of average wages. The increase of expenditures is, however, slowed down by the fact that the number of pensioners is growing more slowly than previously, and that the system of calculating sick pay is modified. The 1987 budget will allocate 108.2 billion forints for pensions, 29.7 billion forints for support for mothers and families with children, and 9.8 billion forints for sick pay.

The central budget organs will be able to allocate 117.9 billion forints for health, social, educational, cultural, and sport, as well as for defense and the expenditure of other armed bodies and for other general expenses, 7 percent more than the sum expected in 1986.

The budget sum earmarked for the support of councils in 1987 is 79.6 billion forints, 6 percent more than the sum expected for the current year. The councils' total income is expected to be 166.3 billion forints, 5.5 percent more than the current year. From this sum, the councils are expected to allocate 177.1 billion forints on operations and maintenance, 41.2 billion forints on development, and 8 billion forints on enterprise support. The councils are expected to allocate the bulk of the financial sources earmarked for development to current investments; among these are the development of Debrecen County Hospital with 492 beds, and the 220-bed Kaposvar Hospital.

COUNCIL OF MINISTERS APPROVES ECONOMIC PLAN

LD261943 Budapest MTI in English 1830 GMT 26 Dec 86

[Text] Budapest, December 26 (MTI) -- The Council of Ministers reviewed the probable development of Hungarian national economy in 1986, and approved the national economic plan for 1987. When approving the major targets and estimates, it took into consideration that the most important targets of the 1986 plan are not being realized.

No genuine progress has been attained at most of the economic units in the interest of improving efficiency, and in developing a production pattern that adapts to the demands of both the internal and external market. Objective circumstances -- the lasting drought, the unfavourable development of world market prices, certain singular events, and the shortcomings of economic management also made progress more difficult. Thus the growth of production and national income lag behind the planned. The deterioration of the economy's balance situation, which began last year, continues. The balance of foreign trade is passive, the net stock of debts is rising. The deficit of the state budget is far higher than envisaged.

In 1987, the fundamental task of economic management is to more consistently realize the economic policy guideline formulated at the 13th Congress of the HSWP, and specified as a prog-amme in the 7th five-year plan.

First and foremost among the targets [is] to adapt to the main tendencies of international development, and to change the economic structure accordingly, and to accelerate economic development and resources formation based on these.

The process of deterioration of the external economic and financial balance has to be braked down. The convertible debt stock can rise only in a slighter degree than this year. The living standard of the population has to be stabilized on the 1985-1986 level. Final consumption for collective needs cannot increase. Powerful differentiation has to be made in the formation of company and population incomes. A major task is for economic management to more rapidly and flexibly react to the changes of the external and internal circumstances.

Production pattern changes that serve to increase economic convertible export, and the movement of manpower and social capital has to be accelerated. The possibility of including foreign operating capital has to be more actively made use of. The activity of low-efficiency branches and economic units has to be rationalized, their production pattern streamlined. Non-producing investments have to be reduced. The purchasing power of companies and the population has to be more effectively regulated.

Most important estimates of the 1987 national economic plan (1986 - 100)

National income	at least 102
Domestic consumption	99-100
Industrial production	102-102.5
Production of agricultural products	104.5-105.5
Consumption of the population	99.5-100

Streamlining the production pattern has to be accelerated in industry. Production and export of marketable, modern and economic industrial products has to be increased faster than the average. Of the industrial branches, production of mining is to be moderated. Streamlining the product pattern of metallurgy of ferrous metals will continue. Production and export of engineering industry and chemical industry will increase faster than the average.

In agriculture, the value added should increase more rapidly than gross production, by improving efficiency. Plant cultivation should increase at a pace surpassing that of animal breeding, and corn production should be considerably higher than this year. The quality of products has to be improved in animal breeding.

In food industry, the appropriate processing of raw materials has to be increased, and the spreading of modern technologies accelerated.

In the field of producing infrastructure, the demands of production and the population have to be met basically by the more rational utilization of the existing capacities. Special attention should be paid to development connected to the reconstruction of the telecommunication network, to reducing the specific delivery costs, and to safeguarding the natural environment, including the quality of waters.

The volume of investments can only slightly surpass the 1986 level. When granting state benefits, subsidies, and bank loans for company investments, preference should be assured to production structure changes that aim at the efficient increase of export, at reducing input, and to technological modernization. New central investments will not be launched. Reconstruction of the Ferihegy Airport will be completed, the 4th block of the Paks nuclear power plant will be put into operation.

Per capita national production should increase in a degree surpassing the average of the years 1985-1986, which should also be promoted by the more effective employment of manpower. Therefore, manpower management measures will be taken and the earnings regulation system modified in a way that will make companies and individuals interested in the necessary regroupment of manpower. In justified cases, the managing organs should initiate the regroupment of manpower and assist the smooth finding of employment.

Personal incomes have to be differentiated according to performance. Average earnings in the socialist sector can increase by 5-5.5 per cent. The growth of incomes flowing out through small ventures will also slow down.

The balance of the purchasing power and the commodity fund available, and the balanced goods supply of the population has to be assured. The growth of the consumer's price level cannot surpass 7 per cent.

Some 60,000-61,000 homes are to be built with the use of state and population monetary sources.

In international economic relations, efforts should be made in the field of rouble-accounting turnover to actively utilize the advantages of cooperation realized with the CEMA countries, to realize as fully as possible the coordinated deliveries, and to reciprocally expand goods turnover. Export should be increased essentially at a similar pace to import. The development of technical and economic cooperation should be promoted also through the direct relations of economic organizations, and the founding of joint ventures.

Convertible-accounting export should be expanded mainly in the field of processing industry products. New enterpreneurial forms, the founding of joint ventures, more successful and intensive market activity and third market cooperation is necessary for this. Services that promote the increase of export should be extended, and their quality improved.

In tourism, the specific and absolute growth of foreign exchange revenues should be attained.

The comprehensive further development of the economic management system is to continue in the interest of realizing the 1987 national economic plan. At the same time, during 1987, alongside the continuous activity serving to realize the annual plan, preparation of changes planned for 1988, and for later, will receive a greater role in the activity of economic management organs. Within this, the thorough preparation of the system of tax on value added, the system of personal income tax, and the related price and earnings regulations, and social-welfare changes, with respect to many-sided economic and socio-political connections, is particularly important.

URBAN HOLDS PRESS CONFERENCE 23 DECEMBER

LD232225 Warsal PAP in English 1739 GMT 23 Dec 86

[By Andrezej Klosinski and Krzysztof Litwinski; quotation marks as received]

[Text] Warsaw, Dec. 23 -- Yesterday's Jaruzelski-Glemp meeting and preparations for the third visit to Poland by Pope John Paul II, trade unions in Poland, Polish-Czechoslovak decisions on the protection of border waters against pollution, refusal by Krakow authorities to register an "industrial society", and political activity abroad by Polish actress Halina Mikolajska who left for Western Europe to undergo medical treatment were the chief topics of today's press conference by the Polish Government's spokesman.

Jaruzelski-Glemp Meeting [subhead]

The course of the meeting, Minister Urban said, is reflected in the published communique. I would like to point to the following statement in it:

"The president of the Council of State and the primate of Poland have discussed the directions of preparations for the third visit to Poland by Pope John Paul II to be paid in June 1987. It was stressed that appropriate conditions should now be created for the pope's visit, and, above all, a favourable climate in overall state-church relations, so that the visit prove beneficial to the believers and Poland."

"I had referred earlier to the conditions that should be created," Urban said. "Facts of abusing churches, pulpits and the status of clergymen for pursuing political agitation hostile to the state, sometimes marked by extremity of views, are not conducive to the creation of proper atmosphere for the visit. Sometimes, there occur cases of fanning hateful emotions and the spirit of intolerance. It should be expected that this situation will change. As a visit by the pope requires that proper atmosphere for it be created, so that it prove beneficial to the believers and the state," he said.

Another significant part of the communique, Urban said: "The visit will be yet another occasion confirming the firm, respect-deserving, commitment of John Paul II to the cause of peace."

A conviction was expressed that John Paul II would emphatically confirm on the Polish soil his anti-war stand, so deserving respect, and his stand of support for the efforts aiming to preserve peace and prevent outer space from being turned into a battle field, Urban went on. Urban recalled the papal appeal for peace, for further development of international cooperation within a peaceful space research, for prevention of the use of space technology in hostile intensions, the Assissi peace appeal to the nations of the world and the appeal to world leaders to persistently establish structures of dialogue wherever peace is threatened or already violated.

"Poland's geographical situation and our tragic war experiences make the Polish land such a place from which the papal voice in favour of the cause of peace and for disarmament, would resound particularly strongly and convincingly. One should also expect that the voice of the Catholic Church in Poland, the voice in the spirit of support for peace and disapproval of the arms race, would sound more strongly than before.

The programme of the pope's visit is a question of further working talks. Organizational issues will be an important topic of the talks, including the problem of ensuring means of transport for the crowds of believers, and the pope's personal security. We attach great importance to infallible security system. There are many questions that the state and the church must discuss and agree upon. After this is done the president of the Council of State will send a letter of invitation to Pope John Paul II to visit Poland.

ZWIAZKOWIEC Weekly's Question [subhead]

The ZWIAZKOWIEC weekly (trade union's paper) reporter asked Urban the following question: According to Western broadcasting stations, at your previous news conference you announced that the rule that only one trade union organization operates in one factory is only provisional. Were you understood properly? I would like to recall that the Congress of Trade Unions adopted the stand on the unity of the labour movement.

Urban replied: "The state authorities definitely share the view of the reborn trade unions that the trade union movement should be united in the future just like it is today. This means that one trade union organization will operate in one factory. The government wants the trade unions to be a strong and competent partner of the economic administration also in the future. The fragmentation of the labour movement would run contrary to this need. Such a fragmentation would not agree either with the strivings of the genuine worker protest of 1980 aimed at creating strong and independent trade unions which are firm in their actions. The fragmentation of the labour movement in factories, on the one hand, would stimulate an auction of demands contrary to economic realities, and on the other, could encourage some of the partners of the labour movement to win contradictions between competing organizations.

"The 10th PUWP Congress deemed unity of the class trade union movement a lasting value. The meaning of what I said at the previous press conference was exactly such that the state authorities supported the unity of the trade union movement. Western broadcasting stations and the Western press, for instance, the Spanish news agency EFE distorted the gist of what I said about pluralism, taking away from my reasoning only this sentence in which I presented solely the legal aspect of the question," Urban said.

"The Western press was wrong to draw conclusions concerning the policy line of Poland's authorities from my recalling that it is legally possible for the Council of State to change the present legislation on the trade union activity. The legal possibility is not the same as the intention. Please understand this well," Urban went on.

"It is only some former activists of the former Solidarnosc who demand trade union pluralism in factories. These are activists of the so-called political opposition and not any trade union activists. Before the proclamation of martial law, Solidarnosc defined itself as a social movement. In fact, its leading structures turned the union into an organization with clearly political goals, slogans and methods of action. People politicizing today under the screen of Solidarnosc threw off their trade union garb a long time ago. They openly say they want to regain the right to an overt trade union activity only to make it a bridge to purely political work, using this or other tactics. They are also an agency of Western forces hostile to Poland. They are supported by the U.S. extreme right-wing which is hostile to trade union movement in the U.S. and in Poland and helps all political subversion in socialist countries," Urban continued.

"Thus, the question of the trade union structure does not at all apply to underground and above ground political groups and those that like a carrot grow a little under ground and a little above ground, using the name Solidarnosc. They have nothing in common with any trade unions. They only want to repeat the trick of entering the battle field of political struggle in the trade union guise. In 1981, this led to the disintegration of the state, economic disaster, and hard experiences and disappointment of a considerable section of society. Western observers of Polish events are very naive to expect Poles to go again along the same road. This will not happen either in the coming or in distant future." the spokesman said.

Polish-Czechoslovak Talks on Border Waters [subhead]

Asked about the outcome of the meeting of the Polish and Czechoslovak governments' commissioners for water management of border waters, held in Prague on Dec. 17-19, Urban said that the Czechoslovak Government commissioner told his Polish counterpart that in cases of extraordinary pollution of border waters, the Czechoslovak side would send warning information to appropriate addresses in Poland on time.

"It was agreed that the question of compensation to be provided by the Czechoslovak side for the Polish side for loses due to contamination of the Odra with mazout in November 1986, and with fuel oil in December 1986 caused by Czechoslovakia and for combating the contamination will be examined through diplomatic channels," Urban went on.

"The commissioners agreed to hold extraordinary negotiations in the first quarter of 1987 following a debate in January 1987 of a working group of specialists in protecting the purity of border waters headed by deputy commissioners of the two governments," said he.

"On December 20, Polish environmental services reported the increased flow of mazout in the Odra. This was caused by the Odra's rising and washing away the remaining mazout from the banks. Such a situation may also occur in the future due to the river's rising as well as faster currents," Urban added.

"In connection with this, a special system of security dams is to be maintained until the remaining mazout is removed from the river bed, Urban stated," he stated.

Industrial Society [subhead]

On Dec. 19, Radio Free Europe reported that Krakow's authorities had refused to register an "industrial society" planned to be established by a group of people. The RFE opined, Urban said, that this decision undermined the following words expressed by Wojciech Jaruzelski at the 3rd PUWP CC plenary meeting:

"The helmsman cannot replace the entire crew. The party does not want to have the exclusive right to initiatives and ideas. It does not intend to have a monopoly in expressing opinions and formulating appraisals, on the contrary, for us it is important not who but what is one saying -- criticising. The more opinions, suggestions, initiatives marked by care for the good of Poland and the broader the circle of citizens' co-participation, the better for the nation, for socialist Poland."

"I cannot comment on the industrial society plan and the decision of Krakow's authorities," Urban stated. "I can only say that in general the policy of supporting initiatives and citizens' co-participation is not automatically equal to approving every plan without studying its usefulness," he added.

"I want to comment, however, on the already mentioned part of Wojciech Jaruzelski's speech. The opinion of a citizen who criticises, submits suggestions, puts forth an initiative has a positive value and will be heard with attention by the authorities when it is confirmed by a constructive attitude of the one expressing that opinion. The Consultative Council, which has started to operate, provides yet another proof, that state authorities want a dialogue in which various views can be heard. It is indispensable, however, that the person expressing views and the attitude that person represents be credible," Urban stated.

"On December 16th," Urban continued, "the BBC broadcasting station reported interesting details about a cure taken by Polish actress Halina Mikolajska in Western Europe."

"I would like to explain that in Poland Ms Mikolajska is a patient of a government clinic which secures a permanent place for her. Despite this, she deemed it necessary to nurse her health at Western physicians and that was how she motivated her trip. The cure prescribed to her in the West included a speech at a press conference in Vienna together with Jerzy Milewski -- a liaison officer between 'Solidarnosc' illegal structures in Poland and their Western protectors," he said. "The BBC quoted Ms Mikolajska as saying for newsmen in Vienna that because of her sickness, she 'can observe the so-called process of normalization as if through the window of her apartment', and what she sees is 'a view of a completely destroyed life of the country which is chaotically declining,'" Urban went on.

"A cameraman went to the adjoining flat to take photographs of those horrors which Ms Mikolajska has to watch from her window. The picture indeed does not resemble Las Vegas but I cannot see any destroyed life or decline there," Urban said and asked the Polish tv Team to show the view from Mikolajska's window.

Urban mocked at sensational news of the Swedish newspaper AFTENBLADET as "nonsensical inventions" and "total rubbish", referring to the paper's suggestions that members of the Polish authorities are paid in hard currencies which makes it possible for them to buy goods in special hard currency shops, and also that none of the members of the former Solidarnosc belongs to the official trade unions now.

Asked what foreign trips Gen. Jaruzelski could be expected to make at the start of next year, Urban said he had nothing to announce in this respect now.

Asked whether the case of food parcels from the West for leading figures of the so-called opposition, discussed at the press conference last Tuesday, was not linked to violating the secrecy of correspondence, the spokesman replied the case "is not taken from letters" and declined to disclose the source of the used information.

Answering a question about a possible Polish view on the AIDS origin, Urban said: "We deplore very much tendencies in the Western press which attribute African origin to this disease and use this for opinions or actions tinged with racism. We share and are at one with concern (over these facts) shown by a significant part of African public opinion." Saying that Poland had no data on the possible authenticity of concepts presented in the Western press alleging that AIDS slipped away from U.S. secret laboratories, Urban said: "If this was true, it would point to still another terrible threat which the U.S. research can cause to entire mankind today."

In reply to a question about the location of a future nuclear power plant near Pila, north-west Poland, in the area where some 100 thousand people live within the radius of 30 kms from the plant's site, Urban said that the decision on the issue was not taken yet by the authorities and that another construction site, in the area of Wloclawek, north-west of Warsaw, was being considered. The decision will be taken in 1987. He added that the regional, elected authorities in the considered areas were supporting the plans of constructing a nuclear power plant in the regions they controlled.

Answering a question about the state-church relations, Urban stated that a number of problems related to the matter were currently discussed by the state and church representatives, and, that, for instance, sacral construction was extensive and by far "the most flourishing construction branch in Poland". The number of Catholic organizations and related forms of the church's activity is also large, Urban said.

MURANSKI ATTENDS KATOWICE MEETING ON MINING

LD222341 Warsaw PAP in English 1942 GMT 22 Dec 86

[Text] Warsaw, Dec 22 -- Hard coal mines will end this year extracting the planned 192 million tonnes, out of which 159 million tonnes will be used by the national economy, that is, 3.8 million tonnes more than envisaged by the Central Annual Plan. This year, Poland will export 35 million tonnes of hard coal, that is, less than in previous years. This year, lignite mines will extract 4.5 million tonnes more than envisaged by the Central Annual Plan.

The 1987 mining tasks for hard coal mines were fixed by the National Socio-Economic Plan at 192.5 million tonnes. In view of the rising domestic needs, 33 million tonnes of hard coal will be exported next year. This will be 2 million tonnes less than in 1986.

Today, a meeting of leading political and economic activists from mines, enterprises and factories related to the Ministry of Mining and Power Industry discussed in Katowice tasks stemming from the resolution of the Third PUWP CC Plenary Session in the light of the National Socio-Economic Plan approved by the SEJM recently. Member of the PUWP CC Political Bureau Zygmunt Muranski took part in the meeting.

BRIEFS

ACADEMY OF SCIENCES OFFICERS -- The Council of Ministers has confirmed the composition of the Presidium of the Polish Academy of Sciences for 1987-89, elected on 12 December by the PAN General Assembly. Jan Kostrzewski is the new chairman. The following are the new deputy chairmen of the academy: Professors Gerard Labuda, Jerzy Litwiniszyn, Wladyslaw Markiewicz and Adam Urbanek. [Excerpts] [Warsaw Television Service in Polish 1830 GMT 20 Dec 86 LD]

AMBASSADOR TO BANGLADESH -- On 10 December Edward Baradziej, PPR ambassador to the People's Republic of Bangladesh, presented his credentials to President Hussain Mohammad Ershad [Summary] [Warsaw TRYBUNA LUDU in Polish 11 Dec 86 p 6 AV]

SOVIET COOPERATION SEMINAR -- Direct economic scientific and technological cooperation between enterprises in the PPR and the USSR is the subject of a Polish-Soviet seminar being held in Warsaw from 9 to 12 December. The meeting, which is being attended by a large number of representatives of Soviet and Polish enterprises, was organized by the main board of the Polish-Soviet Friendship Society in conjunction with the Office for Scientific and Technological Progress and Application, the Polish Chamber of Foreign Trade, and the Soviet House of Science and Culture in Warsaw. [Excerpt] [Warsaw TRYBUNA LUDU in Polish 10 Dec 86 p 8]

AGRICULTURE COUNCIL PLENUM OPENS 25 DEC

AU251714 Bucharest Domestic Service in Romanian 1400 GMT 25 Dec 86

[Text] An enlarged plenary session of the National Council of Agriculture, Food Industry, Silviculture, and Water Management opened in Bucharest today. Convened at the recommendation of Comrade Nicolae Ceausescu, party secretary general and president of the republic, the plenary session is discussing the activity carried out and results achieved in 1986 in those branches and sectors of the national economy and will establish the necessary measures to optimally fulfill the plan and development programs for 1987 and to implement the provisions of the current 5-year plan and the targets of the new agrarian revolution. The plenary session is attended, apart from the members of the National Council of Agriculture, by the first secretaries and secretaries in charge of agricultural matters of the county party committees, representatives of county bodies subordinate to the Ministry of Agriculture, the Ministry of Food Industry, the Ministry of Silviculture, the National Council of Water Administration, the National Union of Agricultural Production Cooperatives, and the Bank of Agriculture and Food Industry, and by leadership cadres, specialists, and workers from state and cooperative agricultural units, from research and educational units, as well as by party organizers, chairmen of the joint agro-industrial councils, and private farmers from noncooperativized areas. Cadres in responsible positions from ministries and central bodies in charge of tasks in agriculture, the food industry, and the acquisition of agricultural produce, in silviculture and water management, and party aktivists of mass and civic organizations are also attending. The participants endorsed the following agenda:

1. a report on the activity carried out by the National Council of Agriculture, Food Industry, Silviculture, and Water Management in 1986 and measures aimed at fulfilling the 1987 plan;
2. a program of measures in connection with preparing the spring agricultural campaign;
3. a program for the regional organization of the crop rotation system and of increasing the fertility of lands;
4. a program for increasing the cultivated arable area by 320,000 hectares in 1987;
5. a program of measures aimed at putting into operation the irrigation facilities stipulated by the crop plan for 1987;
6. measures aimed at completely achieving 650,000 hectares of irrigated land in 1987 and at carrying out the other drainage and soil erosion operations;
7. a program for sowing and extra seeding operations on an area of 1 million hectares of natural pastures and for the utilization of 1.2 billion hectares of land for fodder crops, of which 1 million hectares are for arable land and 200,000 hectares for natural pastures;
8. a livestock research program to ensure exports, supplies for Bucharest, and the implementation of the program for county self-sufficiency;
9. a program for contracting and procurement of animals and agricultural produce from people's farmsteads;
10. a program for achieving centralized stocks of agricultural produce, foodstuffs, and state reserves;
11. a 1987 program for food industry;
12. a 1987 program for afforestation;
13. a 1987 program for water management; and
14. organizational measures.

As a result of the redistribution of certain tasks within the government, the plenary session decided that Comrade Ion Dinca, member of the Political Executive Committee of the RCP Central Committee and first deputy prime minister of the government, be relieved as chairman of the National Council of Agriculture, Food Industry, Silviculture, and Water Management. The plenary session elected Comrade Cornel Pacoste, candidate member of the Political Executive Committee of the RCP Central Committee and deputy prime minister of the government, as chairman of the National Council of Agriculture, Food Industry, Silviculture, and Water Management. The plenary session also endorsed certain modifications in the composition of the Executive Bureau of the National Council of Agriculture.

Comrade Gheorghe David, candidate member of the Political Executive Committee of the RCP Central Committee, minister of agriculture, and vice chairman of the National Council of Agriculture, Food Industry, Silviculture, and Water Management, presented the report included in the first point on the agenda. The plenary session then began discussing the documents submitted for examination.

In the afternoon, the plenary session is taking place within councils according to activities: production, deliveries to the state stocks concerning industrialization and scientific research in the area of grains and industrial plants; production and deliveries to the state stocks concerning industrialization and scientific research in horticulture; production, deliveries to state stocks concerning industrialization and scientific research in animal breeding; land stocks, problems in forestry, problems of water management, problems of self-management and economic-financial self-administration, and the development of small-scale industry and of public services.

A meeting was also held by the Central Commission of Agricultural Producers from noncooperativized localities. The participants in the discussions examined with a high sense of responsibility the activity carried out in the current year, the results achieved, and the directions of action to commendably fulfill tasks envisaged in the 1987 plan and throughout the current 5-year plan in order to implement the 13th RCP Congress decisions and the guidelines, recommendations, and requirements formulated by the party secretary general. The participants presented the achievements attained in increasing vegetable and animal production and in delivering agricultural produce and foodstuffs to the state stocks, thus ensuring the people's requirements for supplies and the necessary raw materials for the processing industry and other needs of the economy.

The participants stressed the stimulating role played in the activity of the tillers of the soil by the positive experience gained by numerous counties and state and cooperative agricultural units in achieving record yields. During the discussions, the speakers stressed that although better yields had been achieved compared with preceding years, there were some failings in the activity of some units in the organization of work, in effectively utilizing lands, in strictly observing technological and plan discipline, and in utilizing mechanical facilities, a fact that made results fall short of the level of provisions, of technical-material facilities and of reserves available to agriculture.

The speakers pledged that working people in agriculture, food industry, silviculture, and water management will take firm action to commendably fulfill the 1987 tasks and for the current 5-year plan to increase the contribution by this important branch to the general development of our homeland and to the improvement of the well-being of all our people.

The plenary session continues.

26 December Proceedings

AU261620 Bucharest AGERPRES in English 1524 GMT 26 Dec 86

[Text] Bucharest AGERPRES 26/12/1986 -- The plenary meeting of the National Council of Agriculture, Food Industry, Forestry and Water Management resumed its work Friday, December 26, in the presence of RCP General Secretary Nicolae Ceausescu. Alongside President Nicolae Ceausescu, the presidium included full and alternate members of the Executive Political Committee of the CC of the RCP, secretaries of the party's Central Committee, members of the Executive Bureau of the National Council of Agriculture, Food Industry, Forestry and Water Management.

President Nicolae Ceausescu handed over the high "Hero of the New Agrarian Revolution" order to the socialist state- and cooperative-farm units that reported large grains and animal production this year as well.

The two-day discussions evinced this year's achievements in increasing the grains, technical plant, horticultural and animal productions, the deliveries to the state stocks as well as the performance of the food industry, forestry and water management. Stress was also laid on the reserves that this basic sector of the national economy has.

The plenum unanimously approved the national council's report on its 1986 performance, the measures to be taken to fulfill the plan for 1987 as well as the programmes on the agenda. A resolution and call of the enlarged plenary meeting was also adopted unanimously.

In conclusion to the meeting, President Nicolae Ceausescu took the floor.

Ceausescu Addresses Plenum

AU271505 Bucharest AGERPRES in English 0908 GMT 27 Dec 86

[Text] Bucharest AGERPRES 27/12/1986 -- On December 26, Romania's President Nicolae Ceausescu made a speech at the end of a two-day plenary meeting of the National Council of Agriculture, Food Industry, Forestry and Water Management which analysed the results of the 1986 agricultural year and set measures for the fulfillment of the agricultural plan and programmes for 1987.

The speaker specified that in 1986 Romania harvested over 28 million tons of grains, which is the biggest output in the country's history, and that substantial increases were recorded in all the other agricultural sectors. We can say, he said, that 1986 was a moment in the development of our agriculture, in the accomplishment of the new agrarian revolution. As for the food industry, its production grew four per cent from the previous year.

President Nicolae Ceausescu stressed that in 1987 agricultural activities should stand at 32 million tons in the least. The speaker surveyed the conditions created in this respect, and requested that the good experience of front-ranking units should be generalized, by more intensely using the technical-material base available, thus providing for big productions in all sectors. In the context, the speaker referred to the possibilities of vegetable-, vine-, and fruit-tree-growing as well as of animal-breeding, insisting on the implementation of the programmes for those domains.

A large section of the speech dwelt on the appropriate management of land, with emphasis on the fact that Romania's arable area required the development of an intensive, high-productive agriculture. Mentioning that more than three million hectares were irrigated to reach 5.5 million in 1990, the speaker requested that all systems should be intensely used to achieve maximum yields on irrigated areas. In the same sequence of ideas the speaker referred to the need that greater concern should be shown to water management, river improvement and the prevention of pollution. He also said that forestry programmes should be properly carried through, emphasizing the economic and ecological importance of forests as well as their role in keeping the climate unchanged and in the general development of life.

In relation to the counties' self-sufficiency programme debated in the plenum, Nicolae Ceausescu requested that the local bodies should work for the ensurance of a proper supply with all products. The speaker insisted on the strict observance of order and discipline in agriculture, demanding that each farming unit, all counties should fulfill their obligations regarding the formation of the centralized food stock which also includes the products for general consumption, those for animal breeding and for the state stock.

The centralized food stocks is a way to rationally manage food products, in line with the provisions of the self-supply programmes, and the demands of industry and for exports, the speaker showed.

In reference to the tasks of agricultural workers, Nicolae Ceausescu said that the new system in force provided for higher incomes which should be based on larger productions in all areas.

In the closing part of his speech, President Nicolae Ceausescu, showing that it would be 25 years next spring since cooperativization ended in Romania, noted that the Romanian rural life, agriculture as a whole had changed radically. Life, reality -- he said -- strongly point to the correctness of our party policy of cooperativization and socialist development of agriculture, to the justness of the general RCP policy that applies general laws to realities in the country and to its necessities, ensuring Romania's firm advance on the path of socialism and communism, the continuing strengthening of its material and spiritual force, a general higher welfare and the strengthening of the independence and sovereignty of the country.

Showing that, after 1944, the country's agriculture went through two great revolutions, and that another agrarian revolution was under way, the speaker said that the first two were rather social and economic in character, whereas the present agrarian revolution gave priority to the application of science to achieve a higher agriculture, in agreement with the whole people's ownership of the land, with the socialist property in agriculture, like in the entire economy.

BOBU ADDRESSES UNCAP PLENUM; STAFF CHANGES MADE

AU241935 Bucharest AGERPRES in English 1905 GMT 24 Dec 86

[Text] Bucharest AGERPRES 24/12/1986 -- A plenary meeting of the Council of the National Union of Producer Cooperative Farms -- UNCAP -- discussed in Bucharest Wednesday, December 24 the work of the county unions and the management of the producer cooperative farms for the fulfilment of the 1986 production plan and the measures that should be taken to improve it next year in order to get the larger safe crops the new agrarian revolution calls for. Participants in the debate outlined the steps that had been taken to bring the output of all cooperative farms in line with the present facilities and equipment as well as resources.

Emil Bobu, member of the Executive Political Committee, secretary of the CC of the RCP, addressed the plenum.

The meeting released Marin Vasile from his post as chairman of UNCAP Council. Traian Girba, member of the CC of the RCP, was elected chairman of UNCAP Council.

The plenary meeting sent a telegram to RCP General Secretary and President of Romania Nicolae Ceausescu.

[Bucharest AGERPRES in English at 0856 GMT on 25 December carries the following passage in its press review reporting Traian Coman as the new chairman of the UNCAP Council:

["The same day a [24 December] plenary meeting was held of the National Union of the Producer Cooperative Farms, the press announces [to its] readers, while mentioning that chairman of the National Union of the Producer Cooperative Farms was elected Traian Coman, member of the CC of the RCP, replacing Marin Vasile who was relieved from office."]

ANTI-CEAUSESCU GRAFFITI REPORTED IN CLUJ

AU231426 Paris AFP in English 1405 GMT 23 Dec 86

[Text] Vienna, Dec 23 (AFP) -- Pamphlets and graffiti calling for "bread and meat" and an end to the "dictatorship" of Romanian leader Nicolae Ceausescu have surfaced in the Transylvanian town of Cluj, according to a magazine which reached here Tuesday.

The magazine, the HUNGARIAN PRESS OF TRANSYLVANIA, said the graffiti had been scrawled across the walls of the town's Hazsongard Roman Catholic Cemetery, and that pamphlets had been scattered among the gravestones on Halloween. Other slogans were later daubed on house walls throughout the town and on bottles of milk and parcels delivered to houses.

The magazine said police closed the cemetery on November 2. The predominantly Hungarian local people traditionally strew flowers on graves on Halloween.

The Hungarian minority in Romania numbers some two million, concentrated on Transylvania, and more than half of them belong to the Roman Catholic Church, in contrast to Romania's Orthodox majority. They are becoming increasingly vocal in their disapproval of measures by Bucharest to assimilate them into Romanian society, the report said.

The magazine also published unconfirmed reports of strikes among Hungarian Romanians at the beginning of November, and the capture and return by Hungary of ten Romanian Army deserters later in the month.

BRIEFS

NEW HYDROPOWER UNIT -- Bucharest AGERPRES 23/12/86 -- At the Romanian electric power station of Ostrovul Mare, the eighth 27 mw hydropower unit was connected to the national grid. It is the last unit of the Iron Gates II hydropower and navigation system and takes its capacity to 216 mw. The power engineers who work there topped 20 percent the physical production of electric energy, according to power charts, in the two years following the commissioning of the first hydropower units. [Text] Bucharest AGERPRES in English 0916 GMT 23 Dec 86 AU]

ASSEMBLY ADOPTS 1987 BUDGET, SOCIOECONOMIC PLAN

LD261457 Belgrade TANJUG Domestic Service in Serbo-Croatian 1413 GMT 26 Dec 86

[All figures as received]

[Text] Belgrade, 26 Dec (TANJUG) -- The Federal Chamber of the SFRY Assembly today adopted the federation budget for next year which, according to the decision by the Chamber of the Republics and Provinces, will be 1,963.6 billion dinars. Basic revenue by the federation will provide 1,567.5 billion dinars, while the republics and provinces will contribute 396.1 billion.

The biggest part of the federation budget funds -- 1,323.7 billion dinars -- is for the needs of the Yugoslav People's Army. A total of 157.6 billion will be provided for underdeveloped republics and provinces and 271.3 billion dinars for veteran and disabled persons benefit and for military pensions.

A total of 127.5 billion dinars will be provided for the work of the federation organs, and 46.6 billion for the financial commitments of the federation from previous years.

Economic System Laws

LD262130 Belgrade TANJUG Domestic Service in Serbo-Croatian 1602 GMT 26 Dec 86

[Text] Belgrade, 26 Dec (TANJUG) -- The Yugoslav Assembly's Federal Chamber today adopted, in accordance with urgent procedure, seven laws which will enable changes in the economic system and the introduction of realistic economic categories. The budget of the federation for next year was also accepted.

The adoption of laws on overall revenue and income was preceded today by broad discussion in which the delegate Zdravko Zabukovec observed that there had not been sufficient time for a detailed examination of the supplementary proposals and that the law was adopted under a certain psychological pressure. Several delegates retorted that there had been no pressure. Milos Milosavljevic, the FED vice president, stressed that the very necessity of reform in the economic system is urgently making legal changes necessary.

The law on overall revenue and income demands the realistic establishment of income, the values of basic resources and amortization. The purpose of these changes in the accounting system is to protect social property. The financing of consumption out of losses is also prevented. Organizations are obliged primarily to secure funds for simple reproduction, and only to distribute the remainder for consumption and accumulation.

Individual activities (like construction) for which this law causes great overall difficulties, may, for a transitional period of 2 years, cover part of their losses by having recourse to the management fund. A transitional period of 3 years is envisaged for the electric power industry, the railways and producers of mineral ferltilizers, and of one year for the banks.

Part of the law regulating the accounting of personal incomes from two parts, (from current labor and from the management of social resources) will be applicable as of 1 July next year. The first part of personal income (on the basis of current labour) will be dependent on the results of work, which means that it is not guaranteed in advance. In any case, a concrete solution should be elaborated in the course of the first 6 months of 1987.

The law on amortization lays down the application of a realistic rate at which social resources are written off. This prevents the outflow of their values into consumption. The majority of exceptions in effect up to now have been abolished to secure as soon as possible a realistic amortization. There are, however, some concessions for social activities, housing and collectives financed from the budget to not additionally burden the economy. These transitional solutions will be in force until the end of the decade.

The most impotant novelty in the law on financial recovery is the action aimed at eliminating the causes of illiquidity in organizations of associated labor. The organizations, which are financially not in the posititon to settle their debts, must prepare a separate program of measures for the elimination of illiquidity. Failure to do so will be followed by a "coercive management," and in case the state of illiquidity lasts a long time -- up to 140 days -- the outcome will be bankruptcy. All this ought to ensure greater financial discipline. The action of financial recovery will also be considerably more effective because creditors' rights have been increased. Increased responsibility is envisaged for the collectives operating at a loss.

Interim solutions are envisaged for some economic organizations to help them adapt to the new conditions of financial recovery. These will include, for instance, organizations dealing with the electric power industry, the production of coal, artificial fertilizers, flour, bread, sugar, vegetable oil, and lard, as well as the railway, cattle-breeding, health service and similar fields. Such a transitional period will be in effect throughout 1987. The organizations in question can pay out the average personal incomes from the previous year, increased by a maximum of 75 percent of the growth rate of the average personal incomes in the republic, that is, the province, and on condition that sociopolitical communities "guarantee the funds for covering losses by 30 September 1987."

The law on the Social Accountancy Service has established the order by which work collectives settle their debts. The settling of debts toward all the creditors will have a priority over personal incomes, except in the case of guaranteed personal incomes.

Amendments to the law on the banking and credit system enable the banks to conduct business as independent economic entities, and they more precisely define the banks' ability.

Beginning in the new year, joint funds of municipalities will no longer cover losses incurred by work organizations. However, the banks will be allowed to grant credits to loss-making basic associated labor organizations if half of the funds are guaranteed by another basic organization of associated labor within or outside the same work organization. The organizations which have difficulties, but also good prospects, can count upon these credits.

The amended law on suppressing disloyal competition and monopolistic agreements strictly prohibits agreement-seeking on prices. Particularly effected will be business communities which have often been responsible for imposing monopolistic prices.

The amended law on compulsory integration of traffic and production organizations defers this kind of integration until 1 January 1990.

The Federal Chamber adopted the budget of the federation for next year, the chamber of the republics and provinces have established that it will be 1963.6 billion dinars.

1323.7 billion dinars has been earmarked in the budget of the federation for the current needs, development and modernization of the Yugolsav People's Army (JNA). 157.6 billion dinars will be set aside for funding the social and other services of the underdeveloped republics and Kosovo, 271.3 billion for veterans and disability protection and military pensions, 127.5 billion for the work of the federal organs, and 46.6 billion dinars for obligations of the federation from previous years. A small part of funds are earmarked for the reserves of the federation.

The delegates today also adopted an orientation program of work of the Federal Chamber to 1990 and a program of activities of this chamber of the assembly in the year ahead. On this occasion, Milka Takeva-Grigorijevic, president of the Federal Chamber, turned first of all to what has been done this year. The Chamber has, in her words, worked very intensively and successfully, something which confirms the information that in 151 sessions 235 agenda items have been considered, 72 laws and 14 other regulations and general acts have been adopted, and discussions have taken place on 90 thematic documents. The main thrust of the work has been on the adoption of systemic laws important in the implementation of the long-term program of stabilization.

Milka Takeva-Grigorijevic then said that in 1987 and in the following years the implementation of tasks in the long-term program of economic stabilization will be the primary task of the Federal Chamber. The struggle for the strengthening of legality and responsibility of all organs and exponents of self-managing and other social functions will have a special place in the Federal Chamber's work.

The Chamber went on in the session to adopt the final accounts of the Federal Directorate for Commodity Reserves in 1985 and a decision on changes to the financial plan of this directorate for this year and on the approval of the plan for next year.

Socioeconomic Resolution

LD261449 Belgrade TANJUG Domestic Service in Serbo-Croatian 1155 GMT 26 Dec 86

[Text] Belgrade, 26 Dec (TANJUG) -- The Chamber of the Republics and Provinces of the SFRY Assembly today adopted the resolution on the country's socioeconomic development in 1987, in which it is envisaged that the main tasks will be to ensure an approximation of the achieved tempo of production growth this year and the considerable acceleration in the increase of exports, the increase of work productivity, and the efficiency of economic activity as a whole, and the essential curbing of the inflation rate.

It is envisaged that there will be a real growth of social product of at least 3 percent, industrial production of 3.5 percent, and agriculture of 2.5 percent. Exports should grow by approximately 4.5 percent and imports by 4 percent, which is the prerequisite for realizing balance of payment surplus and ensuring external liquidity.

Main Tasks of 1987 Resolution

LD262051 Belgrade TANJUG Domestic Service in Serbo-Croatian 1335 GMT 26 Dec 86

[Text] Belgrade, 26 Dec (TANJUG) -- The Chamber of Republics and Provinces of the SFRY Assembly today adopted the resolution on the socioeconomic development of the country in 1987, in which the main tasks are identified as guaranteeing approximately the pace of production growth achieved this year and considerably increasing the growth of exports, increasing labor productivity and the efficiency of economic activity as a whole, and lastly, significantly reducing inflation.

All accompanying documents were approved with the resolution.

A real growth in the social product of at least 3 percent is planned, which is to be achieved in conditions of growth in employment in the social sector of 2 percent, in labor productivity of 1.1 percent, gross investment of 4 percent, and the standard of living of 1.2 percent. Industrial production is to increse by 3.5 percent, agricultural production by 2.5 percent, exports by 4.5 percent, and imports by 4 percent, which is the precondition for realizing a balance of payments surplus and guaranteeing external liquidity.

An important innovation in the resolution relates to the payment of personal incomes. According to the solution adopted, monthly advance payments of personal incomes in the economy will only be paid to a maximum of the level of the average personal income in the fourth quarter of this year. Personal incomes may increase in organizations which achieve a growth in labor productivity. Basically, as evidence of a growth in labor productivity, the uniform indicator will be taken of an increase in real income per employee. In noneconomic activities, the payment of personal incomes in 1987 will be in step with earnings in the economy. Funds for joint expenditure may not rise above the increase in net personal income per worker.

This solution is temporary and will apply until the elaboration of the social compact on the generation and distribution of income in the SFRY and the social compact of the republics and provinces is completed, as well as are self-managing agreements of the branches and groups of industry and self-managing acts of associated labor organizations in accordance with the changes in the economic system and documents from the 13th LCY Congress.

The policy of the more rapid development of the underdeveloped republics and Kosovo will be realized by means of the consistent implementation of the social compacts on the pooling of labor and resources through the federal fund for crediting the underdeveloped to the year 1990 and the agreement on special measures for the more rapid development of Kosovo to the end of the decade. As specified in the resolution, these should be concluded by the end of January next year. Other concessions are also envisaged for the underdeveloped republics and Kosovo.

Funds for general and joint expenditure should increase 10 percent more slowly than the growth income. This restriction will not apply to funds for science, the contributions of the republics and provinces to the federal budget, and federal budget funds for the Yugoslav People's Army, for the underdeveloped republics and Kosovo, invalid and veteran allowances, military pensions, funds for pension and invalid insurance, and contributions of the republics and provinces for subsiding artificial fertilizers and interests in agriculture. Allowances which are in the nature of personal earnings will increase in step with personal incomes.

In the area of prices, the resolution contains the decision on maintaining social control of prices. The credit and monetary policy will be considerably more restrictive, and special attention will be devoted to the development of agriculture and tourism.

In our country, next year should see the production of 5 million tonnes of wheat, 12 million tonnes of maize and 1.365 million tonnes of meat. Exports of agricultural and food products should increase by about 6 percent. The aim is to realize earnings of 1.605 billion dollars from tourism.

In connection with the adoption of the resolution for the coming year, Stojan Andov, chairman of the Chamber of Republics and Provinces Planning Committee, which is the main working body for the coordination of this document, gave an assessment of the work which has been undertaken and the qualities of the new resolution. He stressed that the delegates and delegations had shown complete readiness, in conditions where there were differences expressed, to find generally acceptable solutions and to ensure that the aims outlined in the resolution are realistic. The development policy for next year is specific in that it contains the determination to achieve a turnabout. With the aim of realizing this turnabout, measures will have to be taken which will not be particularly popular, but we must persist with them and implement them consistently, Andov stressed.

Before giving his delegation's verdict on the resolution, Mirko Skakic, who is presiding over the delegation of the Croatian Assembly, warned of the seriousness of the problems in certain areas of general and joint expenditure and in particular in vocation-oriented education in Croatia, on which there are conclusions from the highest state and party organs of the republic. Stating that the Croat Assembly approves the resolution, Skakic stressed that solutions must be found to these problems.

At the proposal of the Croat Assembly, the Chamber concluded that the Federal Executive Council [FEC], in cooperation with the republican and provincial organs, should examine the problems in joint expenditure, and, depending on their assessment and material possibilities, propose solutions.

The Chamber then approved changes in the law on foreign exchange transactions which gives the FEC the power to establish a uniform method of increasing and decreasing the rights of work collectives to imports to make payments abroad.

In an effort to avoid the constant application of legal provisions intended only for exceptional circumstances arising out of discrepancy in the supply and demand for foreign exchange, the Chamber called on the FEC to prepare by the end of January next year special regulations to limit the duration of such exceptional measures and contribute to improving the work of the foreign currency market.

On the expiration of the envisaged time limit, the federal government and competent organs would automatically, as prescribed by the law, resort to additional measures to stimulate exports and foreign exchange earnings, to alter the exchange rate of the dinar, and to restrict imports.

According to the changes adopted, the right to priority in payments abroad will go to the claims of organizations which, in accordance with the law, have foreign currency accounts (which is the exception). These are, for example, payments of consignees and our construction companies abroad.

The FEC is given the power, in exceptional circumstances, to regulate when required on the compulsory exchange of foreign currency at the Yugoslav border, but only by citizens of those countries which apply similar measures to our citizens.

Approval was given to the planned balance of payments, which envisages that, in addition to an increase in exports of goods and services of 4.5 percent, next year will also see a current balance of payments surplus, an increase in foreign currency reserves, and a certain reduction in the extent of the country's borrowing.

The Chamber then also approved decisions regulating the fiscal and credit policy in 1987. These include, primarily, the decision on the aims and tasks of the joint issue and monetary policy. According to this document, the increase in the money supply will not be "moderate," as many delegates demanded during the preceding debates, but significantly slower than the nominal increase in the social product. This solution was adopted because of the surplus of money at the end of the year, and the pressing task, in addition to stimulating production and exports, of bridling inflaton.

In the first quarter of 1987 the money supply should increase by only 4.5 percent, and dinar credits of the banks by 5.5 percent, in comparison to the situation at the last day of this year. Although this is a very restrictive monetary policy, there will, according to the decision, be sufficient money and credits for increasing exports, and agricultural production will be unrestricted. Interest rates will be fixed every 3 months, and will be determined by 6-monthly growth. [sentence as received]

The decisions approved on the covering of exchange rate differences in the coming year should secure 191 billion dinars for these outgoings in the economy. The National Bank of Yugoslavia will be guaranteed 258 billion dinars for the same purpose.

With the changes approved in the law on the National Bank of Yugoslavia, the council of governors of our central bank will in the future be able to make decisions without the obligatory consensus. It will be possible to approve the most important decisions on material questions by a two-thirds majority of votes, and others by a simple majority. The controlling role of the National Bank of Yugoslavia is also strengthened.

The Chamber approved the size of the federal budget for next year, amounting to 1,963.6 billion dinars. The sum of 1,567.5 billion dinars will be provided from the basic revenues of the federation -- basic sales tax, customs duties and import duties -- and 396.1 billion dinars from the contributions of the republics and provinces.

Changes have been approved in the law on financing the federation, on the basis of which 75 percent goes to the revenue of the republics and provinces. Up until now that tax was divided in half.

Because of the changes in the distribution of basic sales tax, the federal budget guarantees 7.9 billion dinars to Kosovo so that the position of the province in the distribution of additional funds for social and other services does not worsen.

By a conclusion of the Chamber, the FEC is given the task of proposing by 15 January changes in the law on additional funds which will guarantee this compensation to Kosovo to the year 1990.

By the end of March the FEC will examine the proposals of the Socialist Autonomous Province of Kosovo on resolving the problems of the social services in the provinces and if required, and in accordance with material possibilities, (?will propose) solutions.

The Chamber approved a decision [word indistinct] whereby the sum of 80 billion dinars will be guaranteed for subsidizing artificial fertilizers, quality selected seeds and plant protection means. A third of the funds will be guaranteed by the federation and the remainder by the republics and provinces.

On the basis of the approved law, 55 billion dinars will be guaranteed by the republics and provinces next year for subsidizing interest in agriculture.

The law was also approved on deferment of repayments of annuities on credits given to associated labor organizations in Macedonia, Montenegro and Kosovo, from funds of the federal fund for crediting the development of underdeveloped republics and provinces, which fall due on 1 January 1987.

The repayment of installments and the payment of coupons by those holding federal fund bonds is deferred until 30 June next year. The sum in question is 17.1 billion dinars, of which 5.3 billion is accounted for by associated labor organizations in Macedonia, 2.9 billion in Montenegro, and 8.9 billion by work organizations in Kosovo. This is a temporary solution, until the law on deferment of repayment of annuities to the year 1990 is passed.

The electricity industry, railways and postal services are obligated to work out the so-called common elements for changing the prices of their products in cooperation with the consumers organizations or beneficiaries of their products and services (the self-managing interest communities), and with the associated labor organizations designated by the Yugoslav Chamber of the Economy. This is one of the basic changes in the law on prices approved by the Chamber of Republics and Provinces of the SFRY Assembly.

If the FEC, which gives the final approval for the common elements, does not do this within 30 days, it must inform the SFRY Assembly of this in the next 30 days.

Following the adoption of the resolution and the laws on changes in the economic system, Janez Zemljaric, vice president of FEC, addressed the delegates. Assessing that, thanks to the constructive and businesslike atmosphere, the entire work had been completed earlier than in previous years, he said that the FEC will consistently and comprehensively work at implementing the goals approved today.

The delegates then approved the work program of the Chamber of Republics and Provinces for 1987.

Concluding today's session, Milenko Bojanic, president of the Chamber of Republics and Provinces, said that it should be expected that the changes adopted will contribute to the creation of new relations in the economy. We have endeavored, he added, to find the most effective way of getting out of our difficulties. To what extent we have indeed done a good job will be seen during the implementation of the documents adopted.

Monetary, Credit Committee

LD261539 Belgrade TANJUG Domestic Service in Serbo-Croatian 2342 GMT 25 Dec 86

[Text] Belgrade 25 Dec (TANJUG) -- Following a day-long discussion, delegates on the committee for credit and monetary system of the Chamber of the Republics and Provinces of the SFRY Assembly with their competence, reached agreement on all the undecided matters from the resolution and the decisions on the joint policy of issuing money and monetary policy for 1987.

In this way, they removed the last remaining dilemma of whether the monetary and credit policy should be "considerably" or "moderately" restrictive.

All the delegates accepted the proposed solution by the FEC that monetary and credit policy should be considerably restrictive, bearing in mind a high jump in financial sources in this year.

Agreement was reached for the first 3 months, during which the increase in the money supply should be 4.5 percent and credits 5.5 percent. For all other changes and amendments, delegates have yet to make decisions.

Late this evening, the last doubt about what would happen to the interest rate policy was removed. It was agreed that it will be determined every 3 months on the basis of a 6-month average of production prices, increased by one percent. This decision, however, has to be reexamined if the solution on the reevaluation of all debts is accepted.

With the changes to the law on the National Bank of Yugoslavia, it is envisaged that consensus will no longer be required the council of the governors of our central bank to make decisions. The most important decisions on material issues will be made on the basis of the two-third majority, and others on the basis of simple majority.

Agreement was also reached on two decisions which envisage that in 1987, 191 billion dinars will be provided for covering differences in exchanges rates, while 258 million dinares will be provided for paying differences in exchange rates in the National Bank of Yugoslavia.

Proposal on New Members Adopted

LD261915 Belgrade TANJUG in English 1645 GMT 26 Dec 86

[Text] Belgrade, December 26 (TANJUG) -- The Federal Assembly adopted today a proposal of the Presidency of Yugoslavia on the election of 29 new members -- prominent Yugoslav leaders -- to the Council of the Federation. By entering this political-consultative body, these persons withdraw from active political life, after this year's rejuvenation of the state and party leaderships.

The new members of the Council of the Federation include former prime minister, president of the Trade Union Confederation and the Presidency of Yugoslavia Mika Spiljak; former Prime Minister Mitja Ribicic, former president of the Presidency of the League of Communists of Yugoslavia Central Committee and president of the Assembly of Yugoslavia Dragoslav Markovic; former secretary of the LCY CC Presidency Dimce Belovski; former president of the Federal Conference of the Socialist Alliance of Yugoslavia Dr. Aleksandar Grlickov; former president of the Federal Social Council for Questions of the Social System and president of the Central Committee of the League of Communists of Serbia Dr Tihomir Vlaskalic; former president of the Federal Social Council for Questions of the Social System and Deputy Prime Minister Dr. Anton Vratusa; and two former members of the innermost Yugoslav party leadership -- Jure Bilic and Nijaz Dizdarevic.

The election of new members to the Council of the Federation has increased its membership to 183.

LCY CENTRAL COMMITTEE SESSION ON 1987 SOCIAL PLAN

LD240400 Belgrade TANJUG Domestic Service in Serbo-Croatian 1928 GMT 23 Dec 86

[Text] Belgrade, 23 Dec (TANJUG) -- Taking as its point of departure the conclusions of the fourth session of the LCY Central Committee, the LCY Central Committee Presidium, at its session today presided over by Milanko Renovica, discussed the current proceedings of adopting the resolution on the policy of implementing Yugoslavia's social plan in 1987 together with accompanying documents and systemic laws. The session was also attended by Sinan Hasani, president of the SFRY Presidency; Ivo Vrandecic, president of the SFRY Assembly; and Branko Mikulic, president of the Federal Executive Council [FEC].

The Presidium is reported to have stated that the work in the SFRY Assembly bodies was proceeding in a constructive atmosphere of full cooperation and coordination among all the organs and organizations in the federation, the republics and provinces. The need was stressed for additional efforts to enable the delegates to continue and increase, on a principled basis, the work on harmonizing the standpoints and surmounting the differences between the socialist republics and the autonomous socialist provinces as regards some issues of the next year's development and economic policy, the accompanying documents and systemic laws.

Emphasis was placed on the great importance of the efforts by the SFRY Assembly, the FEC and other organs and organizations to ensure that the implementation of the ideopolitical commitments of the 13th LCY Congress, of the stance of the Fourth LCY Central Committee session as well as the realization of the long-term program of economic stabilization were taken as a point of departure in the work to further specify the details of and to work out the policy of the country's socioeconomic development and to amend economic activity terms for next year.

The Presidium insists that the Communists in the organs and organizations of the federation become fully involved in the efforts to speed up the adoption of the resolution on next year's economic and development policy with all the necessary accompanying planning documents and to ensure a prompt adoption of the changes in the economic system that determine the economic activity terms for next year in accordance with the economic stabilization policy and are designed to promote market criteria, realistic economic categories, and to speed up the further development of the system of socialist self-management.

The Presidium placed particular emphasis on the need to adopt and further specify the changes in the system of reassessing the value of funds and distributing total and personal incomes. The need was also stresssed for adopting other systemic laws.

It is also necessary, the Presidium stresses, to promptly consider the FEC proposals for resolving the issue of the position of the economy and banks in the SR of Macedonia, the SR of Montenegro and the SAP of Kosovo and to speed up the work on reaching an agreement on special measures designed to facilitate the development of Kosovo as quickly as possible.

The Presidium also emphasized that, parallel with the changes in the development and economic policy and in the economic system, the activity by all subjective factors must be intensified in fulfilling the tasks of the 1987 economic policy. The need was stressed for specific social policy program to be defined and adopted on time.

The Presidium also considered the ideopolitical aspect of the issue relating to the "proposal by the Presidency of the SR of Serbia for the initiative to change the SFRY Constitution to envisage the elimination of inconsistencies in the way the SR of Serbia's fundamental constitutional position is defined in some of the provisions in the SFRY Constitution's normative section."

The Presidium pointed out that, within the framework of further work on the constitutional changes, these issues must be discussed in a responsible manner and political unity achieved and differences eliminated through concerted efforts by the top political and state organs of Yugoslavia, the republics and autonomous provinces, and, above all, by the leaderships of Serbia, Kosovo and Vojvodina who, in this way, will contribute to the efforts of enhance Yugoslavia's cohesion and unity. The ideopolitical basis for resolving these issues consists of the stance of the 13th LCY Congress and, in particular, the LCY Central Committee stance regarding the realization of the constitutional concept of the Yugoslav federation and the LCY Central Committee stance on the topical issues of relations, which form the basis of the unity and togetherness in the SR of Serbia.

RENOVICA RECEIVES ROMANIAN TU LEADER CIOBANUM

LD241846 Belgrade TANJUG Domestic Service in Serbo-Croatian 1043 GMT 24 Dec 86

[Text] Belgrade, 24 Dec (TANJUG) -- Milanko Renovica, president of the LCY Central Committee Presidium, today received Lina Ciobanum, member of the Political Executive Committee of the Romanian Communist Party and chairman of the Central Council of the General Union of Romanian Trade Unions, who is paying a visit to our country at the invitation of the Presidium of the Council of Yugoslav Trade Unions. In the course of the talks, which proceeded in a cordial atmosphere, both sides expressed satisfaction at the development of relations and cooperation between the LCY and the Romanian Communist Party. Lina Ciobanu conveyed cordial greetings from the secretary general of the Romanian Communist Party, Nicolae Ceausescu, to Milanko Renovica, president of the LCY Central Committee Presidium, and to the Presidium, itself.

Milanko Renovica informed the chairman of the General Council of the Romanian Trade Unions about the LCY's activities in implementing the resolutions of the 13th LCY Congress.

ROMANIA SIGNS $600 MILLION TRADE AGREEMENT

LD240023 Belgrade TANJUG in English 1806 GMT 23 Dec 86

[Text] Belgrade, Dec 23 (TANJUG) -- Yugoslavia and Romania plan to exchange 600 million dollars' worth of goods and services next year. After the two countries' joint commission for commodity trade completed its work, a trade protocol for next year was signed here today by Yugoslav Federal Secretary for Foreign Trade Nenad Krekic and Romanian Foreign Trade Minister Ilie Vaduva.

The joint commission stressed that this year will close with a record trade of over 400 million dollars. Besides raw materials and semi-manufactures, some 268 million dollars' worth of machinery and equipment is planned to be part of next year's bilateral trade.

The commission also discussed the exploitation of the Danube waters in the Djerdap joint power supply system. Agreement was reached on ways in which problems arising from natural disasters will be settled in future. It was stressed that the water level at Djerdap has now been brought back to the established norms, so that the Danube waters are once more being used according to the agreed regime.

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TRADE UNION PLENUM HELD, CONGRESS DATE SET

AU291853 Sofia BTA in English 1759 GMT 29 Dec 86

[Text] Sofia, December 29 (BTA) -- The Tenth Congress of the Bulgarian Trade Unions will be held on April 7, 1987; this was decided today at the 12th plenary session of the Central Council of the Bulgarian Trade Unions.

The plenary session discussed the most actual tasks of the trade unions - the consistent realization of self-management in the work team, the new responsibilites ensuing from the coming into force of the new Labour Code and the implementation of the plan for 1987. These tasks outline the form and content of the pre-congress work, Mr. Petur Dyulgerov, chairman of the Central Committee [as received] of the Bulgarian Trade Unions and alternate member of the Politburo of the CC of the BCP pointed out in his report.

The plenary session adopted a declaration which voices the great alarm and concern of the Bulgarian working people over the irresponsible acts of the U.S. Government aggravating the international situation. Mr. Iliya Vulkov was elected secretary of the Central Council of the Bulgarian Trade Unions.

SEVENTH JOURNALISTS UNION CONGRESS CONVENES

AU181755 Sofia BTA in English 1138 GMT 18 Dec 86

[Text] Sofia, December 18 (BTA) -- The 7th Congress of the Union of Bulgarian Journalists, which started here today, proposed the calling of a conference of the journalists of the Balkan countries in Sofia. The idea of calling this meeting was presented in the report of the union's chairman Mr Boyan Traykov, director general of the BTA. The initiative results from the main task which Bulgarian journalists have set for themselves: to work for the strengthening of good-neighbor relations and cooperation in the Balkans, and for the involvement of the international situation in the name of peace.

The role of Bulgarian journalists is to bring the truth to every man. Everybody must know and realize the fact that nuclear disarmament is a question of life and death for mankind and civilization. Everyone must know this truth and must not permit himself to be deceived by the star machinations which aim only at changing the place of the deadly threat, stressed Mr. Boyan Traykov. He and the other delegates who took the floor pointed out as an important task standing before the Bulgarian journalists their work on the establishing of such a movement in the Balkans which will persuade every citizen of this region to aspire to good-neighbourly relations and cooperation, and to assist in the turning of the peninsula into a friendly and peaceful part of the world. In the propagation of the idea for the turning the Balkans into a zone free of chemical and nuclear weapons, into a region of ecological cooperation, the Bulargian journalists see an important sphere of their activity.

The Union of Bulgarian Journalists takes into consideration the complicated international situation and will enhance its international activity. This activity, as it was pointed out in the speech of the chairman of the union, must be in the spirit of the cardinal world problem of peace, must assist the security and cooperation in the Balkans, and must support the peace mission of socialism. In all its international contacts, in participating in the international conferences and in the international organization of journalists, the Union of Bulgarian Journalists will popularize and consolidate the conception of new information strategy and tactics, of the new information order.

The proposal for the calling of a Balkan conference of journalists is closely linked with the fulfillment of the tasks outlined by the delegates. "On behalf of the Bulgarian Union of Journalists, I call on the journalists of all Balkan states to come and meet in Sofia, the geographical center of the peninsula. Let us try to agree that nuclear and chemical disarmament is the first and most pressing problem of peaceful coexistence in the Balkans. Let us discuss together how to mobilize public opinion in the Balkans in order to fulfill the aim to turn this part of the world into a peninsula of confidence and cooperation," said Mr Boyan Traykov.

The international activities of the union were further acknowledged in the greetings address of the International Organisation of Journalists (I.O.J.), delivered by Mr Ernesto Concepcion, I.O.J. secretary. He recalled the 10th I.O.J. Congress recently held in Bulgarian capital and laid emphasis on the Bulgarian journalists' work for propagandizing the peace initiatives of the Soviet Union and the other socialist countries, which match the interests of all peoples.

Both the report and the statement outlined the need for professional renovation of Bulgarian journalism. Its aim is to turn the mass communication media into a factor stimulating an accelerated economic growth in line with the latest techno-scientific advances and encouraging the innovative and positive tendencies in social life. The attainment of this goal depends on securing of prompt and full information on all events and processes in the country and on a sincere dialogue on equal terms with the public. In view of these tasks, the congress discussed journalists' qualification and the state of university studies in journalism, the technological retooling of the news agencies, the newspapers' editorial offices, the radio and tv stations, and the opportunities for building a more rational structure of the media. The Union of Bulgarian Journalists will complete its seventh congress tomorrow, December 19.

Meeting Ends, Traykov Reelected

AU191516 Sofia BTA in English 1347 GMT 19 Dec 86

[Excerpts] Sofia, December 19 (BTA) -- The Seventh Congress of the Bulgarian Journalists mapped out the main trends of the future work of the union. The union's leadership, the union's sections and units at the news agencies, newspapers, the radio and the television will strive to direct the professional work of the journalists to the most important processes taking place in this country -- technological innovation in all spheres and democratization of management. The journalists see their main task in the formation of a climate of social activity.

Today's final session revealed facts showing the growing role of the mass media in social and political life. Hence the great responsibility of the journalist for raising his qualification and professional skills and hence the task of the Union of Bulgarian Journalists to raise the qualification of the journalists. The session also quoted data of the sociopolitical inquiry which show that the Bulgarian journalists hold in the highest esteem professionalism, civil courage and their own creative style. 80 percent of those polled are satisfied with their profession in spite of the fact that it leaves them little free time and in spite of the face that the data of the same inquiry shows that only 47 percent of those polled are enjoying good health and 65 percent think that the prestige of their profession is insufficient.

Mass media and society, the journalist and the public -- these interrelations were subjected to analysis in most of the statements. One of them proposed the working out of a Bulgarian journalist's code. [passage omitted]

A new leadership of the union was elected today. Its chairman is Boyan Traykov, director general of the BTA.

Zhivkov Receives Delegates

AU192016 Sofia Domestic Service in Bulgarian 2000 GMT 19 Dec 86

[Text] A meeting of the BCP Central Committee Secretariat with functionaries from the Bulgarian Journalists Union took place at the Boyana residence tonight.

Boyan Traykov, chairman of the union and director general of BTA, briefed the BCP Central Committee Secretariat on the work of the Seventh Congress of Bulgarian Journalists Union that ended today and on its decisions, which include the implementation of the tasks set by the 13th BCP Congress.

Comrade Todor Zhivkov delivered a speech. He greeted the newly elected leadership of the Bulgarian Journalists Union and wished them new successes in their work and in implementing the party instructions. Comrade Todor Zhivkov stressed the most important strategic problems of scientific-technical revolution and the necessity for a qualitatively new development which the mass media and all Bulgarian journalists are facing today. The meeting proceeded in a warm, comradely atmosphere.

TANJUG: CLAIMS ON GRUEV BELIE OFFICIAL LINE

LD242354 Belgrade TANJUG in English 2237 GMT 24 Dec 86

[Text] Sofia, December 24 (TANJUG) -- The 80th anniversary of the death of Dame Gruev, a distinguished champion of the Macedonian national-liberation struggle, was marked today in the central Bulgarian press and by a number of commemorative meetings. Here, however, Gruev was proclaimed a "Great Bulgarian," and the anniversary of his death was taken in Sofia as an occasion to repeat claims to Macedonian history and struggle for national, political and cultural freedom.

As one of the most prominent activists of the Inner Macedonian Revolutionary Organization (VMRO) and active participant of the Macedonian people's Ilinden uprising against the Ottoman Empire (1903), Dame Gruev is wrongfully claimed to be a Bulgarian and the Ilinden epic of the Macedonians falsely proclaimed, for who knows how many times, a "great event in history of the Bulgarian people."

One of the meetings commemorating Dame Gruev -- the "great son of the Bulgarian people," as the Bulgarian daily NARODNA ARMIYA called him -- was a symposium jointly organized at Balagoevgrad (a town near Bulgaria's border with the Yugoslav republic of Macedonia) by the Bulgarian Fatherland Front and the Bulgarian Academy of Sciences.

The laying of claims to the great Macedonian revolutionary and to history of the Macedonian people runs contrary to Sofia's official declarations in favour of peace, understanding and development of goodneighbourly relations among countries and peoples in the Balkans.

COUNCIL OF MINISTERS REPRIMANDS FOOD MANAGERS

AU122106 Sofia Domestic Service in Bulgarian 1830 GMT 12 Dec 86

[Text] The Bureau of the Council of Ministers, the Economic (?Council), the chairmen of the executive committees of the okrug people's councils, and the leaders of economic trusts made an assessment of the satisfactory supply of basic food products to the population during this year and of the preparations for the supply of food and vegetables in the coming year.

The Bureau of the Council of Ministers drew the attention of the chairmen of the executive committees of the okrug people's councils of Veliko Turnovo, Vidin, Lovech, Mikhaylovgrad, Razgrad, Sliven, Tolbukhin, and Turgovishte Okrugs to the fact that they had failed to fulfill the deliveries of meat to the centralized stores [fondove], and of the chairman of the Pleven Okrug People's Council to the failure to ensure milk supplies.

The Bureau of the Council of Ministers issued a severe reprimand for permitting a lagging behind in ensuring the agreed upon supplies of early vegetables for next year to Konstantin (?Plyamov), chairman of the Bulgarplod Economic Enterprise, and issued a reprimand on the same grounds to Slavcho Pandaliev, deputy chairman of the Executive Committee of the Okrug Poeple's Council and chairman of the Okrug Agroindustrial Union in Pazardzhik Okrug, and to Asen Atanasov, holding the same positions in Pernik Okrug.

The Committee for State and People's Control was ordered to carry out systematic checks on the execution of these tasks.

PLANNERS CONFER ON QUAKE RESTORATION MEASURES

AU232042 Sofia Domestic Service in Bulgarian 1830 GMT 23 Dec 86

[Text] At a national conference and seminar organized by the Bulgarian Project Planning Association, the leaders of project-planning and designing units from throughout the country received concrete instructions connected with the accelerated planning and completion of the restoration work in the regions affected by the earthquake of 7 December.

The territorial project-planning organizations, designers, and architects, who will draw up the projects for the restoration work, were given lists of the more important damaged industrial building installations, public buildings and structures, and apartment blocks. The investors and builders were given concrete information on the deadlines within which the project designs have to be completed.

Professor Nikola Ignatev made a detailed analysis and assessment of the damage caused by the earthquake, pointed out the errors which had been committed, and gave instructions on how the repair and restoration work should be completed. Detailed explanations were given on applying the norms for the design of buildings and structures in earthquake-prone regions and on utilizing the new map showing the seismic divisions of the country.

JOINT NEWS CONFERENCE WITH USSR FOREIGN MINISTRY

AU292043 Sofia RABOTNICHESKO DELO in Bulgarian 24 Dec 86 p 8

[Report on news conference in Sofia on 23 December given by Maxim Kardzhov, chief of the Press Department of the Bulgarian Ministry of Foreign Affairs, and Boris Pyadyshev, first deputy chief of the Information Directorate and spokesman of the Ministry of Foreign Affairs of the USSR: "There Is Only One Direction -- Toward a Nuclear-Free World, a World of Peace"]

[Excerpts] The expiring year of 1986 was an alarming one. The degree of tension in international relations did not significantly fall and armed conflicts continued to take many people's lives to different parts of the planet. In this situation, the peaceful foreign-policy initiatives of the USSR, Bulgaria, and the other countries of the socialist community gave hope. This was once more confirmed at yesterday's news conference in Sofia, at which Maksim Karadzhov, chief of the Press Department of the Bulgarian Ministry of Foreign Affairs, and Boris Pyadyshev, first deputy chief of the Information Directorate and spokesman of the Soviet Ministry of Foreign Affairs, replied to journalists' questions. [passage omitted]

At the news conference concrete examples were also mentioned of the contribution which Bulgaria is making to reducing international tension and consolidating peaceful coexistence in a nuclear-arms-free world. In this direction, our country's actions in the Balkans are especially apparent in the turning of the Balkan peninsula into a nuclear and chemical weapons-free zone, strengthening good-neighborliness and understanding, and expanding cooperation. [passage omitted]

USSR, HUGARY SIGN TRADE AGREEMENTS

AU292045 Sofia RABOTNICHESKO DELO in Bulgarian 24 Dec 86 p 2

[Krasimir Tsigularov report on signing of agreements between the Intransmash Bulgarian-Hungarian Association and the Soviet Avtopromimport Foreign Trade Association, with statement by Engineer Todor Mutarov, general director of Intransmash: "Prospects for Cooperation"]

[Excerpt] The contracts signed between the Intransmash Bulgarian-Hungarian Association and the Soviet Avtopromimport Foreign Trade Association form the start of a qualitatively new stage of cooperation in the field of integrated automation.

Yesterday a package of seven agreements was signed in Sofia between the Intransmash Bulgarian-Hungarian Association and the Soviet Avtopromimport Foreign Trade Association. The package includes complete deliveries of automated warehouse systems and automated transportation-warehouse systems to a value of almost 29 million convertible leva.

The cooperation of Intransmash with Soviet ministries has strong traditions. During the last 10 years alone, 52 automated warehouses have been commissioned, the majority of them in the vehicle-building industry. At the moment, new developments are in progress, some of which are unique in their technical conception. The long-term intergovernmental agreements provide for Intransmash's exports to the USSR to increase 2.5-fold by the end of the 5-year-plan period. What are the paths for solving the task that has been set?

Engineer Todor Mutarov, general director of Intransmash, stated as follows: "The agreements signed form a qualitatively new stage in the joint work, into which other enterprises are also being drawn. This is a good start toward the practical achievement of the tasks facing us. The automated warehouse systems are directly related to the intensification of production; they are the first and main condition for it. They create the required flexibility, permit speedy rearrangement, and save manual labor. On the other hand, they also have an effect on the prime cost of production. These are the two directions in which great social effect is manifested." [passage omitted]

ZHIVKOV, ATANASOV SEND AFGHAN LEADERS TELEGRAM

AU231132 Sofia RABOTNICHESKO DELO in Bulgarian 22 Dec 86 p 1

[Text] Todor Zhivkov, general secretary of the BCP Central Committee and chairman of the State Council, and Georgi Atanasov, chairman of the Council of Ministers, have sent the following telegram to Najibullah, general secretary of the People's Democratic Party of Afghanistan Central Committee, and to Soltan Ali Keshtmand, prime minister of the Democratic Republic of Afghanistan:

Dear comrades, on behalf of the BCP Central Committee, the State Council of the People's Republic of Bulgaria, and the Council of Ministers of the People's Republic of Bulgaria, and on behalf of the entire Bulgarian people, we convey to the Central committee of the People's Democratic Party of Afghanistan, to the Revolutionary Council, and to the Council of Ministers of the Democratic Republic of Afghanistan, as well as to the people of Afghanistan, our most sincere congratulations on the occasion of the fifth anniversary of the signing of a Friendship and Cooperation Treaty between the People's Republic of Bulgaria and the Democratic Republic of Afghanistan.

The years that have elapsed have confirmed that the Friendship and Cooperation Treaty between our two countries represents a solid basis for the ascending development of the relations of fraternal solidarity and comprehensive cooperation between our two parties and countries, and that these relations and cooperation between the BCP and the People's Democratic Republic of Afghanistan, between the People's Republic of Bulgaria and the Democratic Republic of Afghanistan, and between the sociopolitical and mass organizations in both countries continue to strengthen and intensify for the sake of Bulgarian-Afghan friendship, in the interests of peace, democracy, and social progress throughout the world.

Dear comrades, we wish the friendly people of Afghanistan, and you personally, new successes in your struggle for the defense of the country's independence and sovereignty, for a peaceful settlement of the situation around Afghanistan, and in building your new life.

FAKING, MANIPULATING ECONOMIC RESULTS CRITICIZED

AU300851 Prague RUDE PRAVO in Czech 27 Dec 86 p 1

[Editorial: "Without Falsification and Manipulations"]

[Text] In a recent RUDE PRAVO Saturday supplement we gave the workers and technicians of the railroad construction enterprise in Prague an opportunity to speak. The example of their own collective made them ponder with indignation the morality of people who are distorting economic results so as to make it possible to pay out bonuses on the basis of plan "fulfillment" achieved in this manner. Let us recollect that several executives in the enterprise -- headed by Engineer Vladislav Skvrna, former enterprise director -- were recalled from their functions. The workers and technicians taking part in the discussion not only sharply condemned the practices of falsifying work results, but simultaneously and unanimously agreed that such acts cannot be committed without consequence. It is the duty of both the supervisory agencies, and of the party organization and all honest workers to see to that.

This year the CSSR People's Control Commission checked 80 organizations on how well they are ensuring correct report-sheets on plan fulfillment, in keeping with the CPCZ Central Committee Presidium's letter on deepening efficiency in the struggle against violations of the principles of socialist legality, morality, and discipline. In 50 percent (!) of the investigated organizations the CSSR's Peoples Control Committee found distortions, falsifications, and untruthful reporting on achieved results. As a rule, these manipulations had a prosaic, deliberate background: In this illegal manner a certain executive staff ensured for itself the bonuses and remunerations which may be paid out solely to those organizations which are fulfilling all qualitative indexes of the plan.

Strict measures were, are, and will be taken with regard to the functionaries responsible for all the ascertained violations -- up to handing the case over to criminal investigation agencies, and up to removing people from their posts.

Let us cite a specific example from the report of the CSSR People's Control Commission mentioned above: Toward the end of last year, the Trnava Automobile Plant (enterprise director Engineer Michal Rabek) issued bills for deliveries of cars, engines, car bodies, and spare parts to the tune of Kcs 15.6 million, although their production was not complete until January and February, in the case of engines not until even later. It is staggering that such consumers as the Mototechna plant in Mlada Boleslav, the Aviva plant in Ivancice, the pipe rolling mills and iron plants in Chomutov, the North Slovak Forest Enterprise in Zilina, and others confirmed the deliveries in writing although the invoiced goods did not even exist at that monument. In this way, they enabled the executive staff of the Trnava plant to receive up to Kcs 375,000 in bonuses and remunerations on the basis of falsified papers.

Another example: The enterprising staff of an enterprise included among last year's results the receipts from the beginning of 1986, thus establishing conditions for the payment of bonuses and annual remunerations to the tune of more than Kcs 76,000.

One of the indexes affecting the evaluation of economic results is the inventory of stocks. Both a check of results and the knowledge gained by the Czechoslovak State Bank show that stocks worth Kcs 6 to 10 billion (!) are regularly "lost" toward the end of each quarter of the year, only to "reappear" already in the first month of the following quarter. Even though the stocks remain immobile and their sales are a fiction, this suffices for paying out unjustified remunerations to the sales and supplies staff.

False data also abound in the reports on their investment projects issued by organizations supplying construction and assembly work; frequently this takes place with the benevolent approval of the consumer. A number of instances have been found in which a premature invoice was issued last year even on projects where the final work continued this year.

Prices which do not correspond to the quality of work and of deliveries are also being misused for unjustified plan fulfillments according to set qualitative indexes. A certain construction enterprise in Prague delivered to its customers a concrete mixture of inferior quality, while billing them for superior quality; in this way, the enterprise acquired unjustified income totaling more than Kcs 5 million. Other enterprises acted in similar ways; and the responsible staff cashed in bonuses for production quality.

Other, similarly dangerous and reprehensible forms of perpetrating felonies are literally being invented from mercenary motives: For instance, in keeping excessive financial reserves for settling claims and substracting them from costs even prior to the expiration of the term of guarantee; this represents an unjustified enhancement of profit and of remuneration claims.

One cannot doubt that all organizations are familiar with the CPCZ Central Committee Presidium's letter of February 1983, which explicitly charged us to prosecute [postihovat] consistently even such antisocial phenomena as "unjustified income in cases where the remuneration does not correspond to the quality and quantity of achieved work, where unsubstantiated plan amendments are carried out, or where plan fulfillments are incorrectly reported in order to establish, by diverse manipulations, the conditions needed for paying out bonuses, remunerations, and shares."

It is imperative to put an end to all manifestations of illegality, irresponsibility, and insufficiently demanding attitude in economic management. It is supremely urgent to have our party, state, and economic agencies wage an uncompromising, resolute, and unappeasable fight against these pheonomena. It is essential to call strictly to account in accordance with party policy -- and to disciplinary and even criminal liability -- all those who distort plan fulfillment and economic results or tolerate such activity. At the same time we must consistently require the responsible economic staffs to return the bonuses and remunerations which they had unjustly received. Those consumers and investors who have aided such activity must also be called to account. However, at the same time consequences from shortcomings in management, plan fulfillment control, and economic activity must also be drawn with regard to supervisory agencies.

Nobody has the right to cover up the true state of affairs or to tolerate antisocial activity. In apparising such a person -- regardless of who he is and what function he holds -- we must apply a single criterion and adhere to a single morality: The laws governing the economy of a socialist state.

Endeavors to distort economic results and to acquire unjustified incomes to the detriment of the society must not evade the attention of party agencies and organizations, either. In their political and ideological work they must act against such endeavors; they must strengthen party discipline and responsibility. If the persons involved are party members, a party investigation must be initiated against the culprits in serious instances, and consequences must be drawn up to the culprits' expulsion from the party. Executive staff members who are guilty of falsifying data on plan fulfillment and on economic results lose the moral right to lead the collectives entrusted to them and must not be entrusted with any other executive function, either.

The successful realization of the program of accelerating economic and social development, formulated by the party's 17th congress, depends not only on creative activity and work, but also on a high discipline and responsibility of all guiding agencies and working people. Most enterprises and organizations are honorably and honestly striving to accomplish the exacting tasks anchored in the Eighth 5-Year Plan. Their executive staffs are frankly and critically appraising the weaknesses and shortcomings of their collectives and actively searching for ways to overcome the weaknesses; and on this basis they are achieving positive results.

The CPCZ Central Committee Presidium and the Federal Government have acquainted themselves with the check undertaken by the CSSR Peoples's Control Commission mentioned above; they expressed full support for the Committee's course of procedure and expressed agreement with the Committee's conclusions. At the same time, they expressed the conviction that all organizations and enterprises, all state and party agencies, will embark on an effort to prevent such antisocial phenomena and to carry out the evaluation of the plan for the first year of the new 5-year plan on the basis of verified truthful economic results.

HAJN ADDRESSES SEMINAR ON PARTY CONTROL

AU171127 Prague RUDE PRAVO in Czech 10 Dec 86 pp 1, 2

["(PZ)"-signed report: "The Main Thing Is To Set Right Shortcomings and Change the Situation for the Better; Seminar of Chairmen of CPCZ Control and Auditing Commissions"]

[Text] Prague -- A 2-day seminar of the chairmen of regional, district, and enterprise party control and auditing commissions opened in Prague on 9 December. The purpose of the seminar is to assess how the tasks that arise for the work of the commissions from the conclusions of the 17th party congress and the Fourth Session of the CPCZ Central Committee are being ensured. The opening report was delivered by Jaroslav Hajn, chairman of the CPCZ Central Control and Auditing Commission.

He stressed that the struggle to assert the line of the 17th CPCZ Congress aimed at accelerating socioeconomic development has become the main content of the activity of CPCZ Control and auditing commissions. We subordinate to this the style and the methods of our work. We also deduce from this criteria for the evaluation of the results achieved by agencies and organizations in implementing the resolutions of the congress and individual sessions of the CPCZ Central Committee.

The findings of our checks -- for example those carried out at the CSSR Ministry of General Engineering and the CSSR Ministry of Electrical Engineering -- show that the conclusions of the congress about the need for a faster growth in the national economic performance on the basis of a comprehensive assimilation of scientific and technological knowhow are not being translated into life with sufficient vigor. It is a grave shortcoming that there have been no cuts in the time needed to resolve the tasks of technical development in individual enterprises and plants. Neither are we succeeding in making sure that the technical solutions produced in this way are always on a par with current world standards. The result is the weakening of the position of our industry on foreign markets. Our citizens, too, then rightly criticize the unsatisfactory technical standard of the final products of these two sectors. The two ministries adopted remedial measures on the basis of the results of our checks.

The chairman of the CPCZ Central Control and Auditing Commission went on to say that this year CPCZ control and auditing commissions have also carried out a check to ascertain how nationally administered senior officials who are party members, party organizations in national committees and in organizatons, and production and housing cooperatives are enacting the conclusions of the 17th CPCZ Congress and the Sixth Session of the CPCZ Central Committee with an eye toward the further expansion and improvement of paid services for the population. On the basis of many examples, he said, we once again verified that the standard of services does not correspond to the needs of our citizens, that their improvement is slow, and that their development is highly irregular.

The commissions have recommended to the relevant overseeing party agencies the adoption of appropriate remedial measures with regard to all detected shortcomings.

We devote constant attention in our work to the implementation of the contents of the letter of the CPCZ Central Committee Presidium on deepening the effectiveness of the struggle against violations of the principles of socialist legality, ethics, and discipline. In our opinion, Jaroslav Hajn went on to say, the largest number of negative features occurs in the areas of the economy, trade, and services. There are still many instances of mismanagement, poor protection of socialist property, enrichment at the expense of society, unearned income, stealing, misuse of one's official rank, shoddy workmanship, and parasitism. The worst thing about this is that, directly or indirectly, even some ranking managers have their share in the causes of the emergence of these shortcomings. Some senior officials do not even discharge their duty to report violations of legality. There are attempts to settle punishable offenses in the so-called internal way or even to cover them and thus excuse antisocial conduct or protect it against public criticism and punishment.

We have verified, Jaroslav Hajn said, that the internal control system in industrial and agricultural plants, in service organizaions, and so forth does not exert sufficient influence on the removal of negative phenomena. In many instances, internal control does not function as an agency that commands authority. Some managers simply do not regard control as an integral part of their activity. Party agencies and organizations must draw the appropriate conclusions along party lines from these and similar experiences. They must call to account those who violate party statutes and the laws of the socialist state. Any lenience in this respect is impermissible because it undermines the authority of the party as a whole.

The chairman of the CPCZ Central Control and Auditing Commission further drew attention to the fact that the responsible processing of the suggestions, comments, and complaints of the working people constitutes and important aspect of the activity of control and auditing commissions. The party holds in great esteem citizens who refuse to become reconciled to diverse manifestations of superficiality and formalism in implementing party resolutions and demand that matters be set right. The numerous letters that we receive on these issues demonstrate that verbally some senior officials acknowledge the need to remove negative features from our life, but that their practical actions are diametrically opposed to this. These phenomena occur in their most acute form where selfish personal interests win the upper hand, where there is a lack of consistent control, and where suitable political conditions have not been created for criticism and self-criticism.

The party organizations' right of control, vis-a-vis the economic management, is an important instrument of reinforcing the party's influence on processes taking place in production and management. Our experience shows that some primary organizations use this right only nominally and inconsistently. Even functionaries frequently do not comprehend that this is a form of exerting political control, by means of which we must not only cure the diseases of the economic organism, but forestall them in a consistent and competent manner.

Jaroslav Hajn emphasized that the right of control is also an effective tool in combatting bureaucratism and other malpractices. It plays an important role in the education of cadres because it helps enhance responsibility for the successful implementation of party resolutions. In implementing the right of control it must not be forgotten that party organizations and the plant managements share the same goal -- to achieve the fulfillment of the conclusions of the congress. However, their means of achieving this goal differ. Party organizations must on no account take over the duties and responsibility of economic and state agencies. They should neither replace nor represent them, let alone make decisions in place of them.

The aim of the checks carried out by our commissions is to set right shortcomings and change the situation for the better. However, we must not fail to draw conclusions along party lies from gross and recurrent infringements of the statutes. We must not ignore nonadherence to the party line approved by the 17th CPCZ Congress. If the individual concerned does not demonstrate sufficient good will, he must then be called to account along party lines, regardless of his rank and function. It is necessary to insure that our findings and remedial measures become the subject of deliberations by the primary party organization's highest organ -- its members meeting.

Concluding, the chairman of the CPCZ Central Control and Auditing Commission stressed that the decisive criterion in the work of CPCZ control and auditing commissions is not the number of checks and audits but their quality, that it is their effective assistance to a more consistent implementation of the party's policy as it was formulated by Comrade Gustav Husak at the Fourth Session of the CPCZ Central Committee. The attainment of the goals set out by the congress will be up to all party agencies and organizations and every party member and candidate member, regardless of the nature of his work and his function. The politically committed activity of control and auditing commissions at all levels of the party hierarchy must contribute its share to this.

In the subsequent debate, the participants in the seminar spoke about findings yielded by the commissions' work. They stressed the need to continuously enhance the effectivenes of party control and to improve its forms and methods. The seminar continues on 10 December.

COLOTKA SPEAKS AT SLOVAK TRADE UNION SESSION

LD160058 Prague Domestic Service in Czech 2030 GMT 15 Dec 86

[Text] The contribution of the trade unions to the fulfillment of plans, safeguarding investment projects construction, and holidays organized by the Revolutionary Trade Union Movement was analyzed in Bratislava today by the 17th plenary session of the Slovak Council of Trade Unions.

Peter Colotka, Presidium member of the Central Committee of the CPCZ and Slovak premier, spoke in a discussion about the joint effort of the state, economic, and trade union bodies to overcome shortcomings and secure the growth of the standard of living and strengthen the social security of the people. He underlined the important role of the Revolutionary Trade Union Movement in assessing socialist production relations, increasing the participation in state management and administration, and strengthening discipline. He also pointed to reserves in utilizing production funds, working time, fuel, and material consumption and analyzed in detail the need for structural changes in the national economy. In conclusion, Comrade Peter Colotka praised the initiative of wide groups of working people and spoke about the urgent task to expand it further. He mentioned in this connection the significance of the Brigades of Socialist Labor and other forms of work initiatives organized by trade unionists.

MISSION 'STRONGLY' DECRIES FRG CITIZENSHIP POLICY

LD291903 East Berlin Voice of GDR Domestic Service in German 1800 GMT 29 Dec 86

[Text] The GDR Permanent Mission in the FRG has strongly protested to the Federal chancellery because the citizenship of GDR diplomats active in the FRG is once again being disregarded by officials in a presumptuous manner and in contravention of international law.

Thus, in recent days (Hans Ehrken), director of the office for Statistics and Residents Affairs in Bonn, has appeared in public statements to the effect that he and his office regard GDR diplomats as Germans as defined by the FRG Constitution, and thus that FRG laws are applicable to them. The GDR Permanent Mission in the FRG has demanded that the FRG organs unreservedly respect GDR citizenship.

HONECKER, STOPH GREET CASTRO ON REELECTION

LD291144 East Berlin Voice of GDR Domestic Service in German 1100 GMT 29 Dec 86

[Text] Erich Honecker and Willi Stoph have congratulated Fidel Castro, first secretary of the Central Committee of the Cuban Communist Party, on his reelection as chairman of the Council of State and Council of Ministers. In their telegram they wish him new successes in his responsible work and creative power. The general secretary of the SED Central Committee and Council of State chairman and the chairman of the GDR Council of Ministers link this to the conviction that the friendship and fraternal alliance between the two peoples will continue to deepen in the future.

HONECKER GREETS NETHERLANDS CP CHAIRWOMAN

AU292102 East Berlin NEUES DEUTSCHLAND in German 27-28 Dec 86 p 1

[Text] East Berlin (ND) -- Erich Honecker, general secretary of the SED Central Committee, sent the following congratulatory telegram to Elli Iseboud, chairwoman of the Netherlands Communist Party:

Esteemed Comrade Elli Iseboud:

On behalf of the SED Central Committee and on my own behalf I convey to you cordial congratulations on your reelection as chairwoman of the Netherlands Communist Party.

We wish you much success, good health, and creative energy for your responsible work.

With Communist greetings,

SED Central Committee

E. Honecker

General secretary.

SED CC MESSAGE TO SENEGALESE LD-MPT CONGRESS

AU292101 East Berlin NEUES DEUTSCHLAND in German 27-28 Dec 86 p 1

[Text] East Berlin (ND) -- The SED Central Committee sent the following greetings message, signed by General Secretary Erich Honecker, to the delegates of the Second Ordinary Party Congress of the Democratic League-Labor Party Movement [LD-MPT] in Dakar:

Esteemed Comrades:

On behalf of the SED Central Committee and on my own behalf I convey cordial greetings to the delegates of the Second Ordinary LD-MPT Congress.

We are convinced that your party congress will give new stimuli to the struggle of the Senegalese people for national and social liberation, for peace and disarmament, against the danger to mankind posed by the militarization of space. We welcome the LD-MPT's solidary attitude toward the struggle of the peoples in southern Africa, against imperialism, neocolonialism, and apartheid.

The SED Central Committee wishes the Second Ordinary LD-MPT Congress success in implementing the resolutions passed there.

SED Central Committee
E. Honecker
General secretary.

BRIEFS

TRADE WITH AFGHANISTAN -- On 18 December the protocol on commodity exchanges for 1987 between the GDR and the Democratic Republic of Afghanistan was signed in Berlin. It envisages an expansion of trade between the two countries. The GDR will mainly supply electrotechnical equipment and photochemical, pharmaceutical, and chemical household products and, in turn, will purchase dried fruit and other produce. The signing took place in the presence of Dr Kurt Frenske, state secretary and first deputy minister of foreign trade, and Abdul Wahed Baba Jan, ambassador extraordinary and plenipotentiary of the Democratic Republic of Afghanistan to the GDR. [Text] [East Berlin NEUES DEUTSCHLAND in German 19 Dec 86 p 2 AU]

WORK PLAN WITH DPRK -- On 17 December Dr Herbert Krolikowski, state secretary and first deputy GDR minister of foreign affairs, and Pak Jong-chan, DPRK ambassador to the GDR, signed in Berlin the work plan between the governments of the GDR and DPRK for cultural and scientific collaboration in the years 1987-90. The plan envisages the deepening and development of relations in the spheres of science and culture. [Text] [East Berlin NEUES DEUTSCHLAND in German 18 Dec 86 p 2 AU]

SOLIDARITY SHIPMENT FOR NICARAGUA -- The components of 20 one-storey houses earmarked for completing the Karl Marx Hospital in Managua are ready for shipment in Rostock's maritime port. They will go on the long voyage on board the GDR freighter Glauchau in late December. With this shipment, the workers of the Stralsund prefabricated parts work fulfilled their solidarity task of producing a total of 40 prefabricated houses for the Latin America country. [Excerpt] [East Berlin NEUES DEUTSCHLAND in German 22 Dec 86 p 1 AU]

COMMUNIQUE ON MSZMP CENTRAL COMMITTEE SESSION

LD292107 Budapest MTI in English 1845 GMT 29 Dec 86

["Communique on HSWP CC Session -- (Full Text)" -- MTI headline]

Budapest, December 29 (MTI) -- The Central Committee of the Hungarian Socialist Workers' Party met in session on December 28,1986, with Janos Kadar in the chair. The session was attended, besides the Central Committee members, by the president and the secretary of the Central Control Committee, heads of department at the Central Committee, the first secretaries of county party committees and the party committees of regions with county rights, the secretaries of the Budapest Party Committee, the secretaries of the Central Council of Trade Unions, members of the Council of Ministers, leaders of national authorities and the central press, and scientists and economists who had contributed to the elaboration of the issue on the agenda.

The Central Committee discussed and approved

-- A position paper on tasks in accelerating technical development and raising the efficiency of scientific research, put forward by Lenard Pal, secretary of the Central committee.

The Central Committee, accepting the opinion of experts working in research and technical development, set the main principles of and tasks in technical development policy, and the related tasks of society.

1. The Central Committee has established that technical level in Hungary has been considerably raised since liberation. Technological development has followed the main international tendencies and several domestic and international tendencies and several domestic and international scientific achievements have been put into practice. Production processes have been introduced that have contributed to the development and spread of advanced technical culture. In the past period, however, there has been a widening technological gap between Hungary and the countries with an advanced economy. The resolutions of the Central Comittee and the governmental decisions pressing for technical development have not been implemented to a satisfactory extent, which was also due to a drop in the available resources and the failure of economic management and economic organizations to make efficient use of the resources available.

2. The resolution of the 13th congress and the targets of the 7th Five-Year Plan demand an acceleration in technical development, for which the position paper approved by the Central Committee in November provided a plan of action which should be jointly implemented by the government and the companies.

Central management and planning are becoming increazsingly important in promoting technical development and technological modernization, introducing new production cultures and improving the international competitiveness of the Hungarian economy. The standard of technical development is determined by scientific research and the putting into practise of scientific achievements and the main field of its realization is the company and cooperative sphere.

3. The main directions and conditions of technical development in Hungary are included in the 7th Five-Year Plan of the national economy the central schemes of economic development, and the related national mid-term plans for research and development.

The said documents cover the development, use and spreading of processes promoting the efficient use and saving of materials and energy, machine engineering processes, electronization, information technology and biotechnology, and the development of productive infrastructure in the fields which are particularly important from the aspect of technical development.

In the middle term technical development should be, first of all, accelerated in the economic organizations that are steadily efficient and competitive, and in the priority areas of the transformation of the production pattern. The resources required should be created through the re-allocation of company resources and increasing the share of investment projects aimed at technological modernization.

Economic regulation, the price and wage systems and taxation should promote technical development more efficiently. Successful companies should be granted a greater scope in development. Their technical renewal should be encouraged by long-term incentives, the enforcement of efficiency requirements, better cooperation between companies, and the observation and enforcement of contractual discipline.

To modernize the internal organization of companies, provide an appropriate staff of experts for technical development and improve the objective conditions of work are priority tasks. Companies should make greater use of computer methods in technical projecting and production control. To improve quality is a fundamental requirement in production and consequently, instrumental quality control should be intensified in each phase.

4. The finances allocated to research and technical development should increase more rapidly than the national income. Basic research should be encouraged by the differentiated use of finances, a better scheme of tenders and commission, and the creation of competition. The producing and trading companies should play a determining role in setting the targets of applied research, and the evaluation, application and financing of achievements. Companies should no longer be obliged to create a fund for technical development, but decide independently on the use of resources for technical development. The central fund of technical development should be maintained and used for solving the tasks in the scope of central management.

Lasting division of labour and cooperation based upon mutual interest should be established between research institutes, establishments of higher education, and companies, to promote the use of scientific achievements in practice. Cooperation between research, educational and productive organizations should help reduce the time required for the use of R and D results, and promote a concentrated and rationalized use of development resources.

5. The conditions of the country are such that the tendencies of technical development can only be followed through international cooperation. It is important that Hungary should take over from abroad what is obtainable under reasonable terms. Care should be taken for the rapid and efficient application and further development of such purchases.

Cooperation with the socialist countries, first of all with the Soviet Union is a decisive field of international cooperation. Its main directions and tasks are included in the Complex Programme of Technical and Scientific Progress Until the Year 2000. Active and genuine participation in the implementation of the programme is a permanent task of the government and the companies.

We hold it as important to maintain and expand the trade of technologies boosting technical development, and other forms of cooperation and relations with the capitalist countries.

6. Incentives and the human factor are fundamental in the acceleration of technical development and the mobilization of intellectual and material reserves. It is the companies that could do the most for financial and moral appreciation to accord to the performance of technical professionals. State and social organizations, and interest protecting organizations should provide for the appropriate appreciation and remuneration of company experts and major technical achievements. Income and earnings regulations should also work to that aim.

Rapid technical development calls for raising the standard of engineer training, and widening the scope of post-graduate training. Technical and agrarian universities and colleges should be granted better organizational and financial conditions, and their technical facilities and computer engineering and informatical background in particular should be developed.

As the availability of appropriate skilled workers is an indispensable condition of technical development, the personal and objective conditions of vocational training should be improved. The programmes of futher training should be co-ordinated with the requirements arising from the technological modernization of national economy. If the transformation of the product pattern implies the regrouping of manpower, care should be taken for retraining.

7. Propaganda, the media and the press should continuously deal with the issues of technical development, and present the efforts serving technical progress and their results.

8. The party organs and organizations should provide for the political conditions of technical development, and for establishing a public atmosphere encouraging creative work by collectives and individuals. The Communists working in the state organs of management, companies, research institutes and educational establishments should help the implementation of the position paper consistently, with comprehensive initiatives.

The Central Committee calls on the social and mass organizations, associations, the staff of research, development and design institutes and universities of technical development, innovators, inventors, and all technical professionals to make an active and creative contribution to the implementation of the tasks laid down in the position paper.

The Central Committee decided that the position paper will be published in the periodicals of the party and the technical press.

The Central Committee discussed personnel and organizational issues.

-- Laszlo Ballai, head of the Economic Policy Department of the Central Committee, has been relieved of his post with the appreciation of his merits, and will take up an important commission.

-- Deputy Head of Department Miklos Nemeth has been appointed head of the Economic Policy Department of the Central Committee.

-- The Central Committee fhas approved recommendations for the filling of state posts.

PREMIER LAZAR ADDRESSES NATIONAL ASSEMBLY

AU240835 Budapest NEPSZABADSAG in Hungarian 20 Dec 86 pp 3, 4

[Address given by Premier Gyorgy Lazar to the National Assembly session in Parliament on 20 December: "Gyorgy Lazar's Speech" -- passages between slantlines published in boldface]

[Text] "Comrade Hetenyi's speech reflects the government's position, and thus, I naturally agree with it. The minister's report, but even more so the resolution of the Central Committee published on 22 November, with which you are familiar, provide a motivation for discussing the situation of our economy, our tasks, and their implementation in a broader sense during the debate of the 1987 budget proposal," said the chairman of the Council of Ministers at the beginning of his speech.

The Focus Is on the Economy [subhead]

"In my speech, I would also like to cover economic issues. I do this fully aware of the fact that some people have expressed criticism of the government, and not only the government, for dealing too much with the economy and as a result, leaving other important questions of management in the background. Without going into detail, I will mention the fact that we are trying to avoid being onesided. However,

"/It is indeed the economy on which we devote most of our efforts, which we handle as a priority, and with which we deal day after day/.

"Do we make a mistake by doing this? In this respect I could refer to the fact that putting great emphasis on the economy is not an exclusively Hungarian phenomenon. Those who follow world developments with attention can see that regardless of social systems, there is no government that can avoid dealing with economic issues. I think that there is an even more convincing argument, namely, the experience concerning satisfying public demands for living standards, better living conditions, or scientific and cultural developments, and according to which.

"/We may progress only when and how much and where we might solve economic tasks and create the necessary financial bases/.

"On the other hand, precisely because the financial bases depend more and more on efficiency, technological development, and labor culture, it is in our fundamental interest to devote more attention to providing conditions that help develop human potential, knowledge, and education. This is the area where political, social and economic interests are interconnected in an organic whole. I think this has clarified the reasons why the economy has been treated with special attention. However, there are other reasons to continue to do this, even in the coming years. Next I would like to talk briefly about the international and domestic conditions which influence our economy."

Peace Is the Most Important Condition [subhead]

"Among international conditions, peace takes precedence over everything else.

The international situation has slightly improved and prospects for developing detente policy are more favorable than at the beginning of the decade. This is, above all, due to the peace initiatives of the Warsaw Pact, the socialist countries, but primarily of the Soviet Union. [paragraph continues]

These initiatives boosted international diplomacy and provided new guidelines and meaning to the struggle for curbing the arms race and preventing a nuclear catastrophe from threatening mankind.

"The Soviet-American summit in Reykjavik was a milestone in this process. For the first time in a long time, it brought a possible comprehensive arms limitation agreement within reach. It has become evident since the Reykjavik meeting between Mikhail Gorbachev and Ronald Reagan that there are still influential forces in the leading circles of the United States and NATO which have opposed in the past and continue to oppose any just agreement.

"The foreign policy position of the Hungarian People's Republic is unchanged. As resolute supporters of the peaceful co-existence of countries with different social systems, which is in our national interest, we fully support the jointly elaborated foreign policy of the Warsaw Pact and will do everything possible to see that it is successfully implemented.

"/We hope that in the end, the will of nations wishing peace will prevail, common sense will gain the upper hand, and disarmament will be achieved by providing a guarantee for equal and joint security/.

"Regarding the domestic situation, we can say that the second important precondition of success is that our internal political situation be balanced and that the people's power be stable. The overwhelming majority of our population agrees with and supports the fundamental issues of our policy. The national unity formed on the basis of approving socialism, the confidence between the party and the masses, and the democratic atmosphere of public life are values of our system which are also appreciated beyond our borders and increase the international prestige of our country.

"The often heated debates over public issues, all the signs of intentions to improve things, and the criticism of absurdities in our lives, all attest to the political maturity of our people and the responsibility felt for the mutual cause, the fate of our homeland, and for the future. Of course, there have always been people, and they are there today, who hope to create confusion and insecurity based on concerns caused by tensions in the international situation, our economic problems, and the problems connected to the developments affecting the standard of living. Anybody can see that facts prove this attitude unjustified. People highly appreciate our socialist achievements, which include security, broad social care, and our financial and cultural assets which continue to increase despite all difficulties.

"They expect from our socialist system, from the more unwavering implementation of our policy, and not from other people, to have their problems solved, thus, they -- the majority of those who agree with our policy -- determine the domestic political atmosphere in our homeland. This is why we can say, in good faith, that we can continue to rely on the support of people in solving our tasks.

"Esteemed comrade delegates! As you know, the Central Committee has reviewed the national economic situation and the experience of economic activities following the 13th congress. In acknowledgement of the achievements and by analyzing them, it devoted great attention to revealing the external and internal causes of our economic difficulties. Evaluating all the objective and subjective reasons, it concluded that the government is also responsible for the development of unfavorable processes.

"By acknowledging the justifiable criticism, we primarily see our responsibility in the fact that we were unable, on time and to the necessary extent, to place economic conditions determining the means of management and enterprise behavior in the service of the economic policy approved by the 13th congress.

"This is one of the reasons why the improvement in efficiency required to consolidate our position in stabilizing our economic equilibrium, and the economic revival due to careful preparations, did not take place; and this in itself caused significant problems. This was just added to by the serious losses we suffered due to natural causes and to the changes of foreign markets within the same period. And while the resources have not even come close to the stipulated level, we have again, as many times in the past, somewhat overfulfilled the original plans regarding distribution."

Readiness for Renewal Is Decisive [subhead]

"This is part of the reason for our problems regarding the balance of payments in the past 2 years. Based on a thorough and responsible analysis, it has again become apparent that there is only one way out of this situation: the unwavering implementation of the economic policy formulated by the 13th congress and of the requirements laid down in the Seventh 5-Year Plan.

"In other words: /It is absolutely necessary to turn toward a progressive economic policy based on improvements in efficiency and quality/. If we do not act accordingly, we might put at risk what we have already achieved and we might fall irretrievably behind in the international competition. At the same time, it has become clear that a different process is involved in reviving an economy that can satisfy present and future requirements and can preserve economic equilibrium. This process is, contrary to previous beliefs, neither smaller nor easier than the one we managed to solve in the years of restrictons; on the contrary, it is to a certain extent more complicated and more difficult.

"There is an explanation for this which is relatively easy to understand. In order to carry out a restriction policy that will temporarily restore the balance, which is not a mere trifle, and will, at the same time, significantly restrict selective development, one would only need to strictly curb the outflow of purchasing power or have suitable institutions and means "to tap" the already existing purchasing power. Practice has shown that we possess both."

"In order to succeed with an economic policy based on revitalization, efficiency, and better competitiveness, high-level and organized work must be carried out by a multitude of producers. In this work, the main role is played by the interest of collectives and individuals and by their readiness for renewal. The government has a definite responsibility and duty to assert the economic requirements and create the conditions necessary for the implementation of the Seventh 5-Year Plan.

"In this respect the Central Committee resolution provides a clear and precise guide, which we, on our part, naturally consider obligatory, and we shall endeavor to comply with the requirements. In this spirit, by continuing the implementation of already defined measures, we will make further concrete steps to strengthen corporate work and personal responsibility, improve the coordination of main trends and the daily and long-term tasks, define national tasks more exactly, organize and control their implementation, and simplify the organizational, legal, and institutional systems."

Much Depends on Enterprises [subhead]

"We are paying great attention especially to the organization needed to implement the six central economic development programs, including that of the development of the manufacturing of electronic components and parts, the spread of technologies that facilitate energy management and saving of materials and the fulfillment of programs to utilize by-products and wastes. All these six programs are aimed at structural improvements, greater performance, and the reduction of costs.

"We also consider /to be among the most important tasks, the acceleration decided upon to further develop the management system/. I think that it can be seen from the list, which does not claim to be complete, that we are aware of the fact that it is primarily the government that must ensure the many important conditions already mentioned by Comrade Hetenyi, for a successful economy, including the price, wage, and fiscal conditions which stimulate people to more profitable work. This is obvious. However, we must understand that; and now, I ask that nobody misunderstand me, and I say this not just to reduce our own responsibility or shift it onto others; in the end, the responsibility for a successful, qualitative economy rests with the enterprises. I consider it necessary to emphasize this because in my experience we tend, contrary to its significance, to talk more about what does not depend on enterprises and less about what actually does depend on them.

"/There are numerous examples of the fact that there are enterprises and cooperatives working under similar conditions where one operation is prosperous and able to develop, while the other is kept alive only by state subsidy./ These examples refer to all branches of the economy; that is, industry, agriculture, and the building sector.

"This situation, which will soon be untenable, also shows the weakness of the government in managing the economy, and this is also the source of many of our problems. What is more, this situation is criticized by enterprises and cooperatives from both groups. Those who work well criticize because we impose too high a tax on them, and those who operate poorly criticize because we do not support them enough. In my opinion, this is one reason, albeit not the main one, for our having scarcely advanced toward profitability and differentiation according to individual performance, and this in spite of all our vows to do so. This is also the reason that if manpower moves at all, it does not move toward the branches and enterprises that are capable of developing and where higher production would be in line with the national economic interests, and in the final instance, personal interests.

"The present situation must be done away with, however inconvenient it might be, because it is in many respects inconsistent, it is contrary to our economic endeavors, and if it is allowed to continue and conceal the differences in performance, both visually and financially, enterprise incentives will remain insufficient to boost operation or make enterprises want to do so. What is worse, this situation would conceal the responsibility for unsuccessful management.

"In these circumstances, the measures taken to increase enterprise independence will become futile. However, mobile resources, more entrepreneurial readiness and risk-taking are necessary to escape from the present situation. For this we must ensure an even greater enterprise independence and must allow more room for the influence of factors depending on management quality, which will also create more differentiation and produce a healthy mobility of manpower.

"I would like to repeat: /In my opinion, a growth in the performance of our national economy will decisively depend on how fast and how great a change we are able to achieve in the quality of enterprise management./ Even the government considers it one of the most urgent tasks to solve the problem of incentives successfully.

"At the same time we rely on and regard it as indispensable that the leaders of enterprises and cooperatives participate creatively in introducing the renewal process and in increasing standards, order and discipline, and improving labor conditions. We ask the party organizations, trade unions, social activists, and socialist brigades to participate in joint thinking and support the leaders who possess these demanding intentions supporting renewal.

"Esteemed comrade delegates! Considering our potential, the revitalization of the economy is an indispensable precondition of our joining the international division of labor more intensively. This requires above all that

"/We be more deliberate in making production development be at the service of export, and not just export in general, but export that is profitable and improves the terms of trade/. Simultaneously, we should elaborate and more rapidly introduce measures that make it possible to preserve already-developed markets and conquer new ones. These measures refer to the further development of Hungary's economic diplomacy and the adaptation of the structure of foreign trade organizations to the changed requirements.

"While talking about the commission work he leads, Comrade Bognar has given an overall picture and spoken convincingly about the requirements of this issue. I myself can only confirm that the government accepts and highly appreciates the commission's suggestions. When I express our thanks, I also voice my hope that we expect to rely on their participation in the practical implementation as well."

Cooperation With the Socialist Countries [subhead]

"Dear Comrades! In expanding our national economic relations, our particpation within CEMA in the new, progressive processes of socialist economic integration is of decisive importance. From the closer integration,

"/From the comprehensive scientific and technological program for progress up to the year 2000, we expect that additional opportunities will be found with which we may help accelerate progress on a path of intensive development/,

"And improve our export supply. Among the existing relations with CEMA member-states, the diverse and successful cooperation with the Soviet Union is of particular importance for us. This also explains why the measures approved at the 27th congress to promote the qualitative renewal of the Soviet economy have been followed with keen interest and sincere sympathy in our homeland. These measures will surely give a new impetus to the mutually beneficial development of our economic relations. In this respect, there is a continuous and creative work in progress. As a result, we have succeeded in increasing the long-term trade agreement expiring in 1990 by 800 million rubles up to now, and this does not even pretend to have exploited all possibilities.

"In an effort to promote the introduction of new ways and methods of cooperation, we have, as you know, recently signed with Comrade Ryzhkov, chairman of the Soviet Union's Council of Ministers, the intergovernmental agreements containing general regulations for founding joint enterprises and providing a framework for direct cooperation among the collectives of enterprises, institutions, and those working in the fields of research and development. On this basis, talks on the foundation of the first joint enterprises are in advanced stage. Negotiations are also under way to expand economic cooperation with the GDR, the PPR, the CSSR, and with our other socialist partners. With all this, we hope to be able to better satisfy our needs, and in addition, to help realize our intention to take part more successfully on the world market and to make our participation more effective in the international division of labor. Not even our economic cooperation with socialist countries can make us give up, nor do we wish to give up.

"/The expansion of our economic relations with other countries of the world, including the developed capitalist countries, which is based equality and reciprocal interests/. We, on our part, have taken numerous steps to promote the expansion of mutually advantageous trade, to place economic relations on wider foundations. [paragraph continues]

We cannot, however, say the same with regard to some of our partners. Politically motivated and other kinds of discriminatory relations continue to be in force and set artificial obstacles in the path of expanding commercial trade. For instance, it is well-known that in the EEC countries Hungarian goods are to this day burdened with disadvantages, including import bans and high customs, which unfavorably influence our position in the competition. We hope that the discussion under way will be fruitful in eliminating these obstacles.

"As I have already mentioned, we consider the creation of a framework necessary for a successful foreign market activity to be a governmental task. However, I must stress once again that improvements in possibilities will primarily depend on what supply the enterprises can present to the market, on whether they are able to adapt quickly and flexibly to demands, and on how far they can be considered reliable business partners. There is a fair amount of favorable experience in this field already, but we cannot as yet be satisfied with the results."

Let Us Make It a National Cause [subhead]

"Esteemed National Assembly! The Central Committee resolution has again placed great, indeed, unusually great emphasis on the social conditions for improving our economic work, on the growing role of human factors in the renewal. This is fully understandable, because we can say without exaggeration that it is our first political priority to overcome our problems, reverse unfavorable trends, expedite favorable ones, and continue the progress along the course of development designated by the Seventh 5-Year Plan; and this is a requirement that can only be accomplished with the collaboration of the entire society. We have to ask ourselves: Have we succeeded in making the public adequately realize the size of the task involved in completely renewing the economy, accelerating the rate of growth, increasing competitiveness on the world market, and do people see how high the stake is? I think the answer must be: No. How large the task and how high the stake have not been realized adequately. In this respect, we, the government, also have plenty to do. Also by our own means.

"/It is necessary to help make a national cause out of elevating our economy's level of development and increasing its prestige on the world market, and make every individual consider this cause a personal matter/. That is, to make common cause out of the rational management of our assets, of the protection of values created by hard labor, and of the desire for good quality work performed with discipline; thus, to make the society's disapproval become the main disciplining force and its voice of appreciation the highest reward. We must see to it that the Hungarian public know better all those enterprises, socialist brigades, and creative people whose work is an example to be followed and who enhance our reputation in the world.

"We must make people accept the fact that the differences of incomes gained from work do not mean a deviation from our socialist principles. On the contrary, it is egalitarianism and the blurring of the difference between outstanding and poor performances which are harmful to the enforcement of justice. Last, but not least, building on historical experiences, on the inexhaustible reserves of our socialist system, on our people's diligence and talent, we must strengthen self-confidence and the belief in our ability to carry out our tasks and strengthen the commitment for wanting to do so. In the spirit of these thoughts, I myself request the honorable Parliament to approve the 1987 budget proposal.

"I request my delegate colleagues, and through them all of our compatriots, to support the successful implementation of our plan for the coming year," concluded Gyrogy Lazar.

AREAS FOR JOINT VENTURES DISCUSSED WITH USSR

AU231316 Budapest NEPSZABADSAG in Hungarian 18 Dec 86 p 5

[Article by Katalin Bossanyi, based on minister-led talks of a delegation of enterprise directors in Moscow on 16 December: "Dual Ties -- The Quest for Soviet-Hungarian Joint Ventures"]

[Excerpts] [Passage omitted] Those holding the relevant Hungarian and Soviet portfolios met in the All-Union Ministry of Electronics Industry with the leaders of the [Hungarian] Mikroelectronikai Enterprise, of the Hiradastechnika [communications technology] Cooperative, of the Soviet scientific and manufacturing partnership [not further specified], and those of the Elektronzagranpostavka [All Union Electronic Foreign Supplies Association]. The "four-in-hand" intend to establish and sell highly complex integrated circuits. By next year they will be completing only the assembly of silicon chips in the Hungarian factories -- and will return part of the integrated circuits to the Soviet Union -- but during the coming years joint investment could also help establish a complete vertical technology in Hungary. Details of production have already been fixed, only the issue of payments awaits clarification. Hungarian experts have suggested that, due to the initial zero balance -- that is, we buy as much as we sell -- the ventures should be regarded as a barter transaction.... Deputy Minister A.A. Inauri answered as follows: "I agree, because this will accelerate the foundation of a joint enterprise. Our ministry is authorized to organize such cooperation. However, we would like to suggest the joint sale of modern products on third markets, and not only on Soviet and Hungarian markets. I must note that we are satisfied with the automatic measuring equipment delivered by the Mikroelectronikai Enterprise, but we receive less than you could deliver."

A Hungarian interjection: "There could be problems about reciprocity in this resepct."

Inauri: "We have already mentioned to our planning office that they should endeavor to have a balance in national economic deliveries for exports and imports, and should not limit commodity-for-commodity trade to a particular ministry or profession."

The negotiations concluded with a provisional agreement, and during a break I asked the deputy minister why he insisted so much on establishing joint enterprises. The answer is as follows:

"This is because this form of cooperation is the most advantageous for the future. We are also negotiating with Bulgarian and CSSR firms, but I think the economic lessons of the joint venture with the Hungarians could be regarded as an example for other CEMA countries as well."

In the Ministry of Instrument Making people are putting the finishing touches to the statutory document for the joint enterprise involving Medicor and the All-Union Scientific Research Institute for Medical Equipment. The mixed enterprise from Esztergom has a shared -- 50-50 percent -- capital of 168 million forints. By next year they will produce coordinated elements for automated diagnostic systems totalling 100 million forints, and will gradually switch over to using Soviet microprocessors. They mixed enterprise will increase its production tenfold by 1990. [passage omitted] [paragraph continues]

A.I. Kuzmitskiy, deputy minister for instrument making, summarized the advantages as follows:

"In our health services we would like to place emphasis on preventive medicine, and therefore we need a great amount of diagnostic equipment. We have chosen Medicor because we consider it to be a reliable partner that guarantees first-class products. Our relations go back several decades. This year we bought medical instruments and appliances, including complete hospitals, to the value of 45 million rubles. On the basis of Hungarian know-how and our microprocessor technology, we expect considerable success from this joint enterprise."

I asked: "Will you also involve capitalist partners?"

"For the time being, we do not plan such a step at this particular enterprise. However, concerning this jointly developed product group of the Ganz Power Measuring Enterprise and of the similar firm in Vilnius, we will form a joint sales office in Hungary which will exclusively deal with marketing in the third countries."

In the Machine Science Institute of the Soviet Academy of Sciences, suggestions have been made for cooperation in the first phase of the innovation process, that is, in research and development. This could involve the utilization of new materials, but according to academician N.A. Manutov, a really fast improvement in joint work can be expected in the case of nuclear power stations. He said, "I can only speak with appreciation of the computer technology for operation and control at the Paks Nuclear Power Station. Your experts made a first-class job of this. We, on the other hand, made progress in the various fields of acoustic emission research and other safety technology processes. It would be useful to set up a joint organization for engineers to exchange experiences and continue work in coordination with each other."

This desire became reality in the agreement with the Ministry of Nuclear Power, which Minister N.F. Lukonin evaluated as follows:

"In setting up the thousand [megawatt] block we would certainly like to use the Paks experiment.

What else was there on the "menu" of joint ventures from which we could choose? An interesting solution will be made by Tungsram and the Svetotekhnika Enterprise in Saransk. The point of this is that the large Hungarian enterprise cannot make enough neon tubes for export because it does not have free capital for expansion and to mechanize the assembly work, although its modern glass production unit in Vac stays idle. However, it does manufacture neon tubes assembly lines for its Soviet partners. The Saransk factory will now buy three of these lines, albeit for the factory in Vac. (This will be the capital of the Saransk factory). They will then share the profit from additional production and exports.

There is something else: "Three-legged" -- Soviet-Hungarian-FRG -- cooperation is being formed as a mixed enterprise in the agricultural engineering sector. And based on a long-term agreement, the [Hungarian] Tool Making Works will deliver machining operation units, production cells, and flexible production systems for reconstruction work within the Soviet car industry. Director General Matyas Jakab said that several solutions were discussed. He, personally, would prefer the establishment of a joint assets handling organization (holding) [Last word published in English]. Namely, they could import ready-made cars similar to the agreements with the Skoda, Dacia, and Volkswagen factories.

This idea is connected to the suggestion of Deputy Minister I.S. Silayev, with which many people will agree. According to this, a joint assembly plant for Zaporozhets [small USSR automobiles] would be set up in Hungary by the relevant Soviet-Hungarian enterprises. (The heads of delegations immediately inspected the new models on show. The bodies are attractive and they resemble small Japanese or Italian cars. It was agreed that both sides will conduct the necessary technical and business analyses for setting up a joint factory.)

During the talks the deputy minister emphasized that it is necessary to expedite the establishment of mixed enterprises. Among other things, this will also require that experts from both countries would have to better acquaint themselves with each other's economic regulations and enterprise management systems. Therefore, he suggested that a mixed enterprise consultation be organized soon in Budapest for Soviet managers. [passage omitted]

GAS DELIVERY AGREEMENT SIGNED WITH USSR

LD281905 Budapest MTI in English 1645 GMT 28 Dec 86

[Text] Budapest, December 28 (MTI) -- Leaders of the Hungarian Mineralimpex foreign trade company and the Soviet foreign trade union Soyuzgasexport signed the natural gas delivery agreement for 1987, in Budapest Sunday. Under the terms of the agreement, Hungary is to receive more natural gas from the Sovit Union than in the previous years, through the "Fraternity" gas pipe-line. The amount is to cover 40 percent of Hungarian gas consumption. Deliveries of natural gas were launched in 1975, since which time a total of 35,000 million cubic metres of gas has been delivered to Hungary, including the amount specified in the new agreement.

GOODS EXCHANGE AGREEMENT SIGNED WITH BULGARIA

LD221501 Budapest MTI in English 1428 GMT 22 Dec 86

[Text] Budapest, December 22 (MTI) -- On Monday Deputy Trade Ministers Ferenc Spilak of Hungary and Marin Radulov Marinov of Bulgaria discussed in Budapest the 1986 exchange of assortments, directed cooperation between department stores and the quality of services in restaurants and shops. The ministers signed the 1987 agreement on assortment exchanges and technical-scientific cooperation, under which Bulgarian goods worth nearly 2,000 million forints, including black and white television sets, electric fittings, leather goods, household metal bulk goods, synthetic products and office supplies are to be delivered to Hungary. In return Bulgaria is to receive household appliances, washing machines and lamp sources.

Marin Radulov Marinov met Minister of Internal Trade Zoltan Juhar.

WALESA SETS UP COMMISSIONS ON ECONOMY, TU'S

AU300818 Paris AFP in English 0330 GMT 30 Dec 86

[Text] Warsaw, Dec 30 (AFP) -- Independent labor leader Lech Walesa Monday announced the formation of two national commissions by the outlawed union federation "Solidarity".

He appointed Tadeusz Jedynak, former Solidarity leader in Upper Silesia, to head a commission on Poland's economy, and named Wladyslaw Frasyniuk, the lower Silesian Solidarity leader, to chair a commission on associations and trade unions.

Last week, Mr. Walesa asked Zbigniew Romaszewski, a founder of the banned KOR (Worker's Defense Committee), to form a commission on legal questions. One of its goals is to obtain release of the estimated 18 political prisoners remaining in Poland. Some of them are accused of terrorism.

After the amnesty of Solidarity militants last Septmeber, Mr. Walesa set up a Solidarity provisional national council determined to act in broad daylight. Thirteen regional councils of the banned federation have already been set up.

Several dozen anti-Communist militants were warned by police last week that they must declare "the nature of their illegal activities" by December 31 in order to benefit from the amnesty, reliable sources have disclosed. Those warned included Zbigniew Bujak, former underground leader of the dissolved Solidarity.

BARCIKOWSKI ADDRESSES SEJM ON LOCAL GOVERNMENT

AU241747 Warsaw TRYBUNA LUDU in Polish 20-21 Dec 86 p 4

["Summary" of the State Council's report on the implementation of the law on the system of people's councils and territorial self-government bodies, presented by Kazimierz Barcikowski, deputy chairman of the State Council, to the Sejm's 19 December session in Warsaw]

[Text] The State Council once again submits to the Sejm a report on the implementation of the law on the system of people's councils and territorial self-government bodies during the first half of the people's councils' term. We expect that we will have to evaluate again the working of this law at the end of this term. This is dictated by our concern to ensure that this law be respected, that the authority of the people's councils and self-government groups be strengthened, and that the legal conditions for the activities be improved.

Almost everyone agrees that the law in question has been verified in practice and that it provides the right legal conditions for the performance of the councils and bodies. It also plays its role in the process of properly devising legal rules concerning field activities. All the same, certain contradictions are still present in legal enactments and must be speedily eliminated. Some minor changes can be made straight away, but here are also many proposals for far-reaching changes, some of which can be disputed. Sitll, we do not lightly guillotine any proposal, and that is why we want to ask prominent lawyers to analyze all the proposals in this matter and to examine the legal contradictions present in the laws on the functioning of people's councils and territorial self-government groups. We expect these lawyers to make their recommendations no later than 1988.

The law in question and other laws on local government have enabled hundreds of thousands of our citizens to take a hand in deciding on matters closest to them, from their villages, townships, and plants, up to the voivodships, and the state. No one has as yet invented a better form of civic education than participation by the citizens in deciding about common affairs and implementing their own decisions. We highly value the fact that citizens participate in running local affairs without pay and often devote their leisure time to doing so. They are the social base of people's rule and its tasks, and no managers, even the best ones, could replace them. As for those who represent red tape and who want peace and quiet only for themselves, they count for nothing in the eyes of those citizens. But, mind you, we still have many bureaucrats.

There is also another problem. We have many so-called wise guys in the underground and in the opposition who know no restraint and no rule of politeness in trying to teach us about dialogue, the sovereignty of citizens, and so on, and so forth. They have created an artificial and false thesis that the government is in opposition to society. Nonsense! Do the gmina [township] councils represent government or society? Do workers councils represent government or society? And what about people's councils, cooperative councils, and members of many social and political organizations?

Much has been done to transfer the letter and spirit of the law on local government into general practice and to take the decisionmaking on local affairs to the field, but much is still to be done. As for the issue of decentralization, not every department has fully transferred to voivodships the powers that should have been transferred under the law in question. On the other hand, only a few voivodships have begun transferring various powers to townships and gminas [townships]. What is more, arguments have appeared against any changes, including the argument that resources will be dissipated and that the local cadres are undermanned. Our response is: Transfer powers to the echelons that have demonstrated their abilities and have the necessary personnel and conditions.

The people's councils and local administration, mainly at voivodship level, are in charge of large areas of affairs that are of the utmost importance for citizens, including individual problems, the communal economy, handicrafts, trade, cottage industry, farming, the health service, education, and culture. These are enormous areas of activity, ones that are difficult to manage. Still, they must be evaluated locally and must be subjected to local responsibility. We are entitled to expect that the people's councils will act in the spirit of the third Central Committee plenum and will tighten the commitments and responsibilities of the administrative apparatus and of all subordinate services and institutions set up to discharge functions that are of crucial importance for citizens.

The people's councils continue to be faced with the issue of creating lasting fiscal foundations and local resources of income. The general demand is that their share in the central budget be guaranteed for longer periods -- for at least 5 years -- so that additional local funds obtained through thrift and good management do not result in lowering central subsidies. Although this is no easy problem in view of the need to balance the central budget, and although inflation continues, it is necessary to consider this demand.

Funds granted to rural and settlement self-government bodies for local purposes are an important element of their functioning, because they are able to sponsor social production pledges and invest in them people's resources and labor. The revival of social production pledges is one of the visible results of the development of local government. Still, we need greater efforts to revive small-scale production.

The people's councils can discharge their functions all the better if their ties with citizens are more extensive and more direct. That is why we attach great importance to meetings between people's councillors and the electorate and to public consultations about important decisions. The implementation of the initiatives stemming from the 10th congress resolution and concerning the establishment of new social bodies can be facilitated by increased contacts between people's councils and citizens. The PRON continues to discuss with the public the draft principles in line with which an ombudsman is to be appointed. The institution of the ombudsman will create additional guarantees of the rule of law. The Voivodship Peole's Councils continue to appoint socioeconomic councils, which represent an attempt to transfer to the field the positive experience gained through the existence of such a council under the aegis of the Sejm. We expect that socioeconomic councils will establish standing contacts between work forces, cooperative organizations, and self-government bodies of inhabitants, on the one hand, and the people's councils, on the other, in order to reach agreement on various issues. We appeal to the people's councils to attend more vigorously to the problems of the natural environment. The implementation of the proposals and demands submitted by the electorate continues to be the central task of the council. We think that the councils' honest approach to this implementation helps strengthen their standing among local communities.

We regard the work of the people's councils and self-government bodies as an important component part of state life and as an important factor in socialist democracy. We do not think that socialist democracy has reached its best development. On the contrary, we hope that the growing vitality of the people's councils and self-goevernment will help develop socialist democracy in theory and in practice.

MESSNER, WARSAW LEADERS DISCUSS CITY PROBLEMS

LD230011 Warsaw Domestic Service in Polish 2200 GMT 22 Dec 86

[Text] Premier Zbigniew Messner has met with the Warsaw authorities. They discussed the implementation of the Government Presidium decisions taken on the initiative of Wojciech Jaruzelski in 1984, and also the problems raised by the development of urban agglomerations. They approved measures which should aid the more efficient solution of the needs of the capital's inhabitants. Summing up the discussion, the premier emphasized that Warsaw, apart from the functions typical of great cities, also has duties arising from its nature as the capital. This places additional tasks on the capital's authorities and necessitates successive meetings of this type.

OFFICIAL ON RELIGIOUS KNOWLEDGE IN SCHOOLS

AU241239 Warsaw SZTANDAR MLODYCH in Polish 4 Dec 86 pp 1, 2

[Interview given by Stefan Garwacki, head of the Social Issues Workshop of the School Curricula Institute, to Zbigniew Gajewski: "Religious Knowledge in Schools -- Instruction Without Emotion" -- date and place not given]

[Excerpts] [Gajewski] Most secondary schools and some vocational and technical secondary schools instruct pupils in a new subject -- religious knowledge -- which was introduced last September. As expected, this subject has provoked controversies, and the writers connected with the Catholic Church allege that the purpose of this instruction is to promote atheization of young people. Any comment?

[Garwacki] We have stated our position in the program relating to the subject in question. There exists no other document that explains our intentions, which are quite clear. The subject of religious knowledge treats religion as a social phenomenon and is not meant to denigrate religion as a world outlook. [passage omitted]

[Gajwski] Will this school subject not promote atheistic attitudes?

[Garwacki] I think it may do this in the same way as it may promote religiousness, which, as I see it, would then become more intense as well as more humanistic and tolerant. If tolerance is a long last to occupy its proper place in our society, then people must be able to discuss various world outlooks. Tolerance cannot be developed if we fail to appreciate the role of world outlooks in man's life, but in order to discuss them we must have a common language. Can the language of atheist propaganda or of theology become a common language? The school subject of religious knowledge is a step toward such a language.

[Gajewski] Can this subject be taught by a believing teacher?

[Garwacki] As far as I know the school authorities do not ask teachers about their views when instructing them to teach the subject of religious knowledge. This teaching can be done by any teacher whose attitude toward his own religion and toward other religions is in accord with the spirit of the subject in question. This means that such a teacher will present his own religion as a social phenomenon and will not try to classify other religions as inferior. He who is intolerant is not fit to foster tolerance, and this is not doubt as plain as a pikestaff. This is exactly what can also be said about belligerent atheism. [passage omitted]

NO NEED TO REGISTER MEAT RATION CARDS AFTER JAN

LD232108 Warsaw Domestic Service in Polish 1500 GMT 23 Dec 86

[Text] In accordance with the decision of the Government Presidium, the registration of ration cards for meat and its products will no longer be obligatory from January next year. Ration cards, therefore, will be honored in every place of residence and workplace of its owner. This way, further difficulties for purchasers will disappear.

PARIS PAPER INTERVIEWS POLISH DISSIDENT GEREMEK

PM241200 Paris LIBERATION in French 16 Dec 86 p 27

[Interview with former Solidarity adviser Bronislaw Geremek by Veronique Soule in Warsaw -- date not given]

[Text] Warsaw -- LIBERATION: Do you see any signs of a change?

Bronislaw Geremek: It is no longer possible for the government to bury its head in the sand. Economic problems and social tension have increased greatly since 13 December [1981]. I am sure that the government is aware of this and is trying to find a solution. But it does not know what to do.

Economic problems dominate everything now. The government has realized that it would not find a solution without reorganizing public life. [paragraph continues]

The question of real democratization is now being examined. The word has long been taboo in this part of Europe: It was impossible to democratize the most "democratic" regime in the world. However, a change of tone is being observed. Gorbachev used the word democratization for the first time in a recent speech. This is very important. This change means that the Polish team can reform.

LIBERATION: Do you regard Gorbachev as a good opportunity for the East?

Bronislaw Geremek: Yes. But Poland, which ought to be the first to take advantage of this, is not doing so. The government still seems to be frustrated by the experience of 1980 and 1981 and is frightened by the idea that a real people might once again emerge on real socialism's stage.

At the last party congress in July, we saw an attempt to extend the Polish "difference" with three proposals: The proposal to form a consultative council, to appoint an ombudsman, and to reform the electoral law. Unfortunately in practice these proposals became fictional initiatives.

The problem of democratization takes a concrete form. It does not imply a return to parliamentary liberalism but a move toward the monopoly of power being limited by the government itself. This presupposes:

1 -- The existence of cultural and regional associations, discussion groups and so forth to reflect the pluralism of Polish life.
2 -- Greater freedom of speech.
3 -- A reform of the way in which legal bodies are appointed to ensure a minimum of independence of objectivity.
4 -- The creation of institutions which would temporarily compensate for the lack of democratic freedom.

LIBERATION: The government presented the Consultative Council, which was set up on 4 December and is officially open to all, as a move in this direction.

Bronislaw Geremek: This is one of Solidarity's ideas but it has been distorted: Neither the independence nor the representative nature of the council members is guaranteed. It is unacceptable for the government to select its members. The government still seems to be seeking legitimacy and a show of consensus. But Poland needs a real consensus.

LIBERATION: Had you placed a great deal of hope in this council?

Bronislaw Geremek: Yes, but without many illusions. The September amnesty which, like all the others, was aimed at crushing the opposition, was a courageous political decision. After the releases, this Consultative Council was formed. But I was naive. The results have been disappointing.

And yet, I have not lost hope that the government will understand. The granting of limited freedom is a bad course of action. The Poles want something but in the form of a contract not in the form of a gift.

LIBERATION: Do you think that General Jaruzelski wants democratization?

Bronislaw Geremek: Why not? But I do not want to discuss the government's philosophy. It is forced to adopt it by the economic situation. We are witnessing an increased awareness in the government. Will all this be achieved? I see no signs which confirm the small amount of optimism I still have.

LIBERATION: Jaruzelski has used "gentle" repression. Would you say that he is a liberal?

Bronislaw Geremek: I look at the policy, not the man. I cannot forget that he decreed martial law. I hope that he will not go down in history as "the man behind 13 December." But for the time being that is what he is.

The question is what policy he will implement. I think he would be capable of pursuing a liberal policy. It must be added that, although there is more freedom in Poland than elsewhere in the Eastern Bloc, this is the result of a real situation of strength rather than a liberal intention. In addition the Polish Government has greater socio-technical know-how. Repression here is effective and clever: High fines, confiscation of cars and even of apartments -- this is enormously strong pressure in view of the storages -- and 3-month prison sentences imposed without trial. This does not make a great impact on internal and international opinion. At the same time emergency laws have been adopted should they be needed.

LIBERATION: You have not mentioned "reprivatization" -- a word which is fashionable in Poland where Friedman and Mill are read (Footnote) (Stuart Mill, the British founder of liberal economic thinking, and Milton Friedman, an ultra-liberal American economist).

Bronislaw Geremek: I have reservations about this neo-liberal movement whose program the government happily accepts because it is totally unrealistic. Self-management is a more important question: A democratic society must be built at grass roots level and big enterprises must be dismantled. Small is beautiful. Self-management counteracts the totalitarian temptation.

LIBERATION: What place does Solidarity have in the future?

Bronislaw Geremek: Although it is illegal, Solidarity exists and has the will to exist. The country's main interest is to overcome the crisis. Solidarity has a sense of responsibility and is prepared to support a reasonable program and to pay the price for it. Despite all the pessimistic facts there is a possibility of returning to the philosophy of the Gdansk agreements. We are at a turning point.

LIBERATION: Does Solidarity have a new program?

Bronislaw Geremek: We are not a partner and have no reason to have a program. On the other hand, we know the direction we must take. A broad debate is in progress on general strategy. Should Solidarity, despite its absence, accept sacrifices for the higher interest -- for instance accept an austerity plan -- provided the economic reform and consequently the Gdansk agreements are implemented?

Yes, although it is persecuted and illegal, Solidarity must simply defend the workers and loudly demand: First a return to legal status and after that, we will see... There are risks of division in this.

LIBERATION: Are you afraid that the opposition may one day be reduced to dissidence?

Bronislaw Geremek: I do not rule out this danger. The strategy of reducing people to exhaustion might eventually wear it down. But I do not believe this will happen. Too many people are speaking openly. The second, more plausible hypothesis is that the dissident mentality would prevail over the mentality of the Solidarity mass movement. The danger is greater. According to the opinion polls, one fourth of the population supports Walesa, one fourth Jaruzelski, and the remaining half is the silent majority. The latter is the government's hope and it wants to build a consensus on this majority. If the opposition moves away from this silent majority, it will fall into a dissident mentality.

BRIEFS

INDIAN TRADE PROTOCOL -- Warsaw, Dec 10 -- A trade protocol for 1987 to the five year trade and payment agreement between Poland and India was signed here today after talks between the two countries. The agreement says that next year Poland is going to import from India nutritive fodder, tea, rice, pepper, cotton and cotton products, jute and jute products, iron ore and its concentrates, mica, textile machines, photocopiers and other industrial equipment. The protocol also opens possibilities for considerable broadening of purchases in India of various components and spares necessary for the production of equipment made by Polish industry. Poland is going to deliver to India machines and equipment including cargo-passenger and fishing vessels, power engineering and mining equipment, ship engines, machine tools, textile machines, electro-engineering products and also certain amounts of sulphur, hard coal, chemical products, non-ferrous metals and rapeseed oil. This year, Polish-Indian trade will amount to about 230 million dollars, a 40 percent growth as compared to 1985. The protocol for next year provides for another 30 percent increase. It is a confirmation of a dynamic development of economic relations with India. [Text] [Warsaw PAP in English 2312 GMT 10 Dec 86 LD]

REPORTAGE ON LCY CENTRAL COMMITTEE SESSION

Brigic Report

LD252002 Belgrade TANJUG Domestic Service in Serbo-Croation 0543 GMT 25 Dec 86

["Introductory Report by Ivan Brigic at a Session of the LCY Central Committee -- embargoed until further notice" -- TANJUG headline]

[Excerpts] Belgrade, 25 Dec (TANJUG) -- The period of 6 months after the 13th Congress is too short, considering the weight of the situation, to allow for a change, but we can establish that the LC did not succeed in mobilizing and organizing all social forces of the society to overcome the accumulated difficulties, Ivan Brigic, member of the LCY Central Committee Presidium, said in the introductory report at today's session of the LCY Central Committee.

He illustrated this statement with the fact that no significant change occurred either in economic life or in dealing with obstacles on the way to a more resolute development of self-management. Nor was the power of bureaucratic etatism and technocratic trends decreased, while nationalism is on the increase. There is also the pressure of a liberalistic watershed of the class essence of socialist democracy. Nor were the causes of the counterrevolutionary attacks on Kosovo eliminated or overcome. International conditions are also having unfavorable effects on the economic crisis and are making it more difficult to get out of it more speedily.

However, Brigic stressed, in this situation we should (?not) forget that numerous collectives all over the country, even in such difficult conditions, are realizing good, and some even above-average production results; are fighting the battle to catch the pace of the world technological process; and are carrying out export plans. We are speaking very little of such results; we insufficiently analyze the experience of these collectives and the ways of their activity. And this, he stressed, can be considered our great shortcoming in view of assessing realistic possibilities for changing the situation and the organization and ideopolitical capability of the LC. Often we are exhausting ourselves in criticism of the present situation and do not offer enough solutions, which leads to the danger that under the burden of difficulties we could lose a clear vision which resulted from the strategy of our socialist revolution. [passage omitted]

The LC is still facing the biggest tasks in the area of realizing the policy of economic stabilization, Brigic said. With the changes in the development and economic policy and the economic system, which we are about to start, a process of more comprehensive and creative application of the long-term program of economic stabilization will start. These changes and the transfer to the realistic economy will represent for the membership and the organs and organizations of the LCY a new situation that demands a concrete struggle for the consciousness of people and for the change in behavior, greater productivity, and better organization of work, more efficient utilization of social assets, and all the available human and material potential. [passage omitted] Further in his report, Brigic spoke about the orientations of the LCY for the development and changes in the political system.

In the Presidium of the LCY Central Committee and in its working bodies and executive and political organs of the republican and provincial LC's several discussions on the ideopolitical questions of preparing proposals for changes in the SFRY Constitution and for organizing activity in connection with the Law on Associated Labor have been carried out.

However, he assessed, there has been to much stress on the procedure at the level of principled discussions and on the basic content of these changes, often from the point of view of one-sided exclusive approaches, which makes it more difficult to overcome more speedily dilemmas and differences in stands and views on certain key questions raised in the process of constitutional changes; thereby making it possible to begin again discussions on many questions already discussed and solved. [passage omitted] For us, the Communists, a discussion on the functioning of the political system and its development is a discussion on the continuity of the revolution, and not just on any relations and changes.

In the present social conditions, the LC should by no means underestimate the struggle against increasingly organized activity of nationalistic and other antisocialist and anti-self-management forces and trends. All of them are very loudly coming out with their political interpretations of this juncture and the ways of solving social problems, of course, starting with their reactionary and conservative ideological concepts, nc longer hiding the fact that in Yugoslavia they would like to found a different political system, either a bourgeois or an etatist-bureaucratic one.

In our everyday activity we cannot neglect, Brigic stressed, the struggle against bourgeois right and other antisocialist forces, and in particular against nationalism, since it is one of the prerequisities for the success in the struggle for economic stabilization and socialist self-management. In all social environments, nationalism is on the increase. Nationalistic awareness in various ways in penetrating wider strata of society, also dashing against the ranks of Communists, and, in worrying proportions, also sections of youth. The cutting edge of nationalism, as well as of explicitly reactionary anti-working-class Ideology, and in our situation, of an expressly anti-people's trend, is directed primarily toward socialist self-management, LCY's leading role equality, and the brotherhood and unity of nations and nationalities.

Therefore, with special responsibility, the LC must struggle for consistent implementation of the policy of equality of nations and nationalities, for brotherhood and unity, and against any nationalism, since it is the mainstay of the gathering of all antisocialist forces and, therefore, the most dangerous stronghold of the class enemy. In this, the Communists of Yugoslavia must be compietely uncompromising and united.

Absorbed in economic problems and quite burdened by pragmatism, the LC has not sufficiently succeeded in raising the capability of its organizations and organs to be considerably more active and direct in the political system of socialist self-management, in the way we have declared it since the 10th congress. Nor should we underestimate the fact that recently there have been many demands for a reversal toward the commanding role of the party, accompanied by a strong dose of dogmatic conservatism. We do not wish to work and cannot work in old ways; we also know why not. The fact is, Brigic said, we have still not learned to work in a new way and we lack the necessary boldness to undertake more resolutely new steps toward realizing the social role and position of the LCY, as we have clearly established and developed it at the 11th LCY Congress.

[Passage omitted] In continuing his report, Brigic devoted special attention to the ideopolitical and action unity of the LCY. He said that the situation in the LCY with respect to unity of action and the sense of responsibility toward this unity is by no means at the level demanded by social conditions. The implementation of adopted stands and decisions is very slow and displays many vacillations, and a lack of resoluteness and consistency, while the respect to some big questions and problems there are ideological hesitations, and even an explicit lack of unity.

We must resolutely confront the practice that leads to the situation whereby certain sections of disunited LCY, that is, their organs, work according to "their own ideas" and insist [on acting] "on their own," as if they were infallible, or did not bear any responsibility toward other sections of the LCY and toward the LCY as a whole.

Present practice and behavior in certain sections of the LCY and their leadership indicate that there is still not sufficient readiness to jointly clear up and solve the problems on the basis of mutual understanding of the needs and interests of everybody individually, always beginning from the unanimously established policy at the congress. [passage omitted]

In the struggle against those still uneliminated causes of the federalization of the LCY and for its strengthening as a united organization, the LC must at the same time, he stressed, confront the other dangers: the trend of the unitarist-centralist concept of developing the unity of the LCY, of returning to the old methods of activity, the mechanical, decree-based unity, and bureaucratic discipline without democracy.

The strengthening of responsibility for the realization of the decisions of the 13th LCY Congress is the key question today. On the eve and at the very congress, we realized that there was a widespread practice of not implementing the adopted decisions -- though these decisions were reached through a democratic and self-managing way -- mostly because personal, group, and pratical interests block the view of the totality. The congress stands contain the basis and obligation to change such a situation.

The LC must carry out a more resolute regouping of its ranks, rid itself of all those who undermine its prestige and ideological unity and weaken its action capability. However, differentiation is taking place very slowly, which can be illustrated by the fact that out of a total number of all those who left the LCY on various pretexts, in the first 6 months of this year only 13.8 of them were expelled, and, among them, the highest number were those who were expelled for not implementing elementary statutory obligations.

Therefore, the question must be raised of the responsibility of those organizations and organs of the LC who have an opportunistic attitude toward their obligation. Of course, we do not need any campaign or purge; rather we need a gathering and differentiation of action. At the same time, the LCY should open doors to all those people who excel in the struggle for economic stabilization and socialist self-management to strengthen its ranks, especially through the admission of young producers and creators, so that in this way it would strengthen its class influence of the worker on the policy of the LCY. The essential thing in further development of the LCY is the democratization of the internal party relations and the strengthening of the role of the member and basic organization of the LC, as the basic subjects of developing and realizing the policy and stands of the LCY, since only with fundamental change of the position of the member and the basic organization can a change in the overall action of the LC be ensured. [passage omitted]

In training the membership and basic organization of the LC for revolutionary action, an indispensable role is played by all the organs of the LC, especially by municipal committees. Therefore, it is necessary to make a critical assessment of the realization of the role and responsibility of the LC leadership in the realization of the congress decisions and tasks, especially the quality, clarity, and feasibility of their programs and activities on realizing the necessary ideopolitical and organizational prerequisites for the real mobilization of the membership and basic organizations.

However, in spite of increased demands, we have not dealt sufficiently with the work methods of municipal committees, nor have we offered these committees, the necessary support. Many of them has remained torn between increasing initiatives and criticisms from basic organizations and, at the same time, increasingly numerous demands by higher organs, including this Central Committee.

Continuing his speech, Brigic stressed the significance of the change in methods and content of work of the LC, and even of the LCY Central Committee, since, as he said, the basic activities of the LC organs still take the form of sessions and adoption of numerous and often generalized conclusions, which has not had any essential effect on greater mobilization of membership and basic organizations of the LC. Discussions, even in the highest organs of the LC, often resemble those at consultations and symposiums. The LC organs cannot be debating clubs; rather, they should be operative and action leaderships which react in a timely manner to the most topical ideological and political problems in society. Such work methods are to a good extent the reason for slow coordination in the entire LCY. Therefore, we should find out, Brigic said, why some topical ideological and political questions, which we all discuss and about which we know our differences, are not put on the agenda more quickly and why stands on them are not taken on time. [passage omitted]

The Presidium, as the executive and political organ of the LCY Central Committee, should better organize work on initiating concrete actions for a more consistent realization of the conclusions and stands of the LCY Central Committee; regularly monitor their realization and in a timely manner inform the Central Committee about the way its stands and conclusions are being implemented, and propose what should be undertaken in cases of their not being implemented or in the event of opposition.

This question is even more topical because we all know that even after the 13th LCY Congress there have been instances of contradictory behavior, that is, the failure to implement the unanimously established policy and the conclusions of this Central Committee and its Presidium, both by certain organs and their members, and by certain Communists occupying responsible social functions in the republics, provinces and the federation. At the same time, no discussions on this have been started in the LC organs, nor has the question of responsibility been raised. Therefore, it is necessary that in the LCY Central Committee and in other LC organs we develop a work method that will ensure that the stands and decisions of the LCY, in accordance with the principles of democratic centralism, are consistently implemented, or that, following the established democratic procedure, they are developed or amended. Tolerating the lack of responsibility in implementing the established policy would only further undermine the unity and prestige of the entire LCY. Our Central Committee, as the highest-ranking organ of the LCY, has great responsibility to ensure united action of the entire LCY on the consistent implementation of the established policy, and, therefore, it must resolutely react to all the manifestations of the lack of unity and vacillation, and to vacillation and opportunism in any organ or section of the LCY.

Today the Communists of Yugoslavia bear the greatest responsibility for our society's speediest way out of the economic and development crisis and for society's more stable development on the bases of socialist self-management. I am convinced that the LCY can and must affirm itself as the leading ideological and political force in the present and by no means easy social situation. for this, it is necessary to be better organized and rely more on the high awareness and creative abilities of the working class and all other creative forces of society, said Ivan Brigic, member of the LCY Central Committee Presidium.

[Belgrade TANJUG Domestic Service in Serbo-Croatian at 0942 GMT on 25 December transmits a service message correcting the above paragraph as follows:

["The tasks that were formulated by the 13th LCY Congress demand firemness and unity and presuppose consistency and creativity in their development and application, as well synchronized social and political action, primarily in basic organizations of associated labor and work organizations, in local communities, and in municipalities, but also at all levels of the delegate system and our political organization. The LC leadership must lead both with the clarity and concrete form of its policy, and in the consistent manner of implementing it, stressed Ivan Brigic, member of the LCY Central Committee Presidium."]

25 Dec Proceedings

LD261150 Belgrade TANJUG Domestic Service in Serbo-Croatian 0844 GMT 25 Dec 86

["LCY Central Committee Session: Proceedings" -- TANJUG headline]

[Excerpts] Belgrade, 25 Dec (TANJUG) -- At today's session, members of the LCY Central Committee assessed the ideopolitical and action capability of the LC in realizing the decisions of the 13th LCY Congress. The reason why the highest-ranking party forum is analyzing the fulfillment of the adopted stands only 6 months after the congress lies in the fact that all indicators point to a lack of the expected resolute, united, and efficient action of Communists at all levels. Today's session also represents the beginning of a change in the LC's method of work that had been announced form some time -- a constant review of the way in which and the extent to which the established policy is being implemented.

The introductory report on this item of the agenda was submitted by Ivan Brigic, member of the LCY Central Committee Presidium. Among the ranks of the Army, the 13th congress met wth approval and moderate optimism. Simeon Buncic, the first participant in the discussion, said that the membership is asking what guarantees there are that the decisions of the 13th Congress will be realized. All that is happening after the congress, he added, only confirms the justifiability of this question.

Pointing out that the LCY Central Committee has the greatest responsibility and that it is expected to do the most in this area, Buncic made several proposals to improve the work methods of the LCY Central Committee and its activity. The Central Committee, Buncic said, should ensure more direct communication with the working class, and, in preparing sessions, should reflect the authentic views of its members. At the same time, the authenticity of the stands and decisions of the Central Committee, rather than adopting those of the LCY Central Committee Presidium, must be insisted on. Some sessions could also be held with fewer and introductory reports. [passage omitted]

According to Hamdija Pozderac, a way out of the present situation is not possible without a detailed Marxist analysis of what has happened in Yugoslavia over the past 10 years -- that is, without a precise identification of the forces that persistently oppose the implementstion of the strategic orientation of Yugoslav Communists. For too long we have been saying, Pozderac said , that resistance is coming from "statists, bureaucratic, and other forces," without having an exact analysis of what they represent and what devices they are using to oppose our strategic goals. [passage omitted]

Pointing out that the working people are demanding the LC's more resolute involvement in overcoming social difficulties, Pozderac asked why certain organizations are politicizing the goals of the 13th LCY Congress even before they started to implement them. He said that some of the reasons lay in the silent agreement with the practice of one-sided politicization of partial interests, some of which certainly could not be called self-management! Trends to legalize such interests are dangerous: First, they occur within a "narrow sociopolitical community," and then follows their legalization and promotion in the Yugoslav area, he added.

This endangers the foundations of the national policy of the LC, while everything that Yugoslav Communists won in this area is being turned into elements that compromise its policy. [sentence as received]

The LC should not have a liberal attitude toward such phenomena because the practice of negating the self-managing character of the verification of interests looks more like the tactics of lobbyists rather than the mature behavior of Communists. These trends create an arena for nationalist and chauvinist forces whose ultimate objective is to return to the time when power in Yugoslavia was divided in the name of national interests. Some LC members, Pozderac stressed, sometimes believe that they will be better fighters for socialism if they are greater supporters of national causes, so that the impression is being created that no nation in this country gained anything in the national war of liberation and the revolution.

Pozderac emphasized that the theoretical thinking of the LC constantly suffered from limitations that blunted its critical analysis of the causes of social crises. Commenting that in the all-party debate on the proposed conclusions of the 13th LCY Central Committee that the work priorities had been clearly defined, Pozderac asked: Who in this situation wishes to impose a multitude of unanswered questions on society? In the name of democracy, today everything is open to discussion, he said, which is confirmed by discussions on civilians doing military service as civilians, the youth relay baton, alternative movements, the national anthem, flags, and other similar issues.

Commenting on the politicization of relations in society in connection with constitutional changes, Pozderac said that under the conditions that had been created, it is difficult to conduct a reasonable discussion, though it is necessary. This could perhaps explain the big influence inside and outside the LC by those assessments that point out that the main reason for the present crisis lies in the inadequacy of strategic goals. Pozderac spoke in favor of a critical attitude if we do not want to repeat old mistakes and respond to the crisis with short-term solutions. If we do not do this, it will be done by the writers of various "memorandums," who have the most obscure pretensions, Pozderac concluded.

[Passage ommitted] Narandza Jovanov criticized the fact that the stance formulated in a draft document prepared for the session had not been defined in more specific terms. The draft document states that there is evidence of a lack of unity in the behavior of the LC members and some organs with regard to the implementation of the 13th LCY Congress resolutions on the realization of the constitutional concept of the Yugoslav Federation. It is no good, she added, if we all assume that this is somebody else's concern.

Narandza Jovanov expressed dissatisfaction with the situation in the SR of Serbia which, as she put it, could not be allowed to continue if the republic's functions were not to be jeopardized. Support must, therefore, be given to changes in the Constitution as a basis for the further development of relations in the SR of Serbia and as an instrument of implementing its constitutional role in the federation.

In Hrvoje Istuk's view, from the whole set of tasks, the LC, that is, the LCY Central Committee, should opt for a number of key issues whose resolution would facilitate the fulfillment of its strategic goals and commitments. This is necessary, he said, for at the moment the LC is not capable of coping with such a wide range of issues as envisaged by the 13th LCY Congress.

Before these issues are singled out, however, it is necessary to determine the level of the LC's capability to carry out its social and political roles. In other words, he specified, the question is not what we are like, but, are we up to our tasks? This means that we must assess, in a realistic and comprehensive way, the extent to which the LC organizations and leaders are aware of the fact that the LCY is definitely committed to the development of socialist self-management. The reasons for such an analysis lie, according to Istuk, in the fact that there still exist differing views as to the LC's leading role in society. Some see it as the classic case of a party in power, while others look upon it as optional social democracy.

In this context, he questioned the view to the effect that "the party must not be the party of the state, nor must the state be the state of the party. It is true, he said, that the party must not be the party of the state; the state, however, must be the state of the party as the state is a creation of our revolution for which the LCY bears both everyday and historical responsibility . To illustrate this claim about the disregard for established policies, he noted that many Communists in the assemblies do not adhere to the party's clearly defined policy about flags without being called to account.

The constant repetition of appeals and big words, which not only can be counterproductive but discrediting, must be replaced by a genuine change in the method and substance of our work, which implies the need for the LC to adjust itself to the ramified nature of our political system, Hrvoje Istuk said.

[Passage omitted] According to Milan Pancevski, one of the causes of inefficiency within the LC is the practice of promoting narrow and partial interest, the practice with which the LC is often uncritically identified. In this context, he stressed the LCY Central Committee's responsibility as a factor of cohesion and as the initiator of a united action within the LCY. In all our future actions we must proceed from the real and not assumed unity and responsibility, as we have often done thus far, Milan Pancevski said.

[Passage omitted] Speaking about the work on changes in the Constitution, Vidoje Zarkovic said that it is proceeding slowly and is meeting with some resistance and, at the same time, with excessive insistence by sociopolitical communities for their own statehood and sovereignty. Tendencies toward a consensus democracy, which imply that controversial issues should not be discussed, are steadily gaining ground. In his view, the LCY Central Committee as well as the central and provincial committees should insist that the work on changes in the constitutional and political system be treated as the most important task, and that in carrying it out, efforts should be made to harmonize the stance on sensitive issues. [passage omitted]

We do not hesitate, Vinko Hafner said, to mention the economic crisis; less often do we refer to the social crisis. But, when it comes to admitting to a serious ideological and moral crisis within the LC itself, that we find a bit more difficult. I am sure, he added, that this is not an issue of a crisis in the LC's overall ideology. This is, primarily, a crisis affecting the activity of the LC and its efficiency within society.

The question is, Hafner said, who in the LC is responsible for the emergence of the crisis and who should get us out of it? It would be wrong to blame the party grass roots, that is 2.1 million members or 70,000 basic organizations. It would be as absurd as if we were to blame the working class and the country's working people for the crisis. In other words, a crisis in our or any other communist movement does not originate in the party rank and file, but among its leaders and organs. In our case, this refers to 540 municipal and town committees and, above all, to the LCY Central Committee, together with the republican and provincial committees. In other words, LC leaders must be the first to be rid of ideological disunity, the lack of class awareness inertia, and opportunism. It would not lake long for this to have a positive effect on the conduct of the party grass roots.

Hafner went on to note the need for specifying who it was that has not devalued and diluted the stance of the LCY Central Committee: It is primarily us, its members. Then come the republican and provincial committees in which we exercise the same rights and duties as their members and with which, in our political activity, we are directly linked.

Let us begin with the work of our Presidium which, as an executive-political organ, carries particular responsibility for both our own work and our cooperation with the republican and provincial committees and, to a large extent, for the work of Communists at the most responsible posts in the federal organs. The members of the Presidium should also assess their ideological and action unity and establish if that is where the seeds of disunity are and what is happening in the republican and provincial committees, in the LC committee, in the Yugoslav People's Army and in their presidiums. [passage omitted]

Speaking about the still present attempts to federalize the LCY, Hafner said that a certain degree of federalization with the LCY was an objective fact stemming from the very character of the Yugoslav state community. This inevitably has an effect on internal relations, organization and the method of work within the LCY. This is borne out by the existence of separate LC's in the republics and provinces and is reflected in the way members of the LCY Central Committee and its Presidium are being nominated and elected.

However, the truly negative aspect of the federalizaton of the LCY, according to Hafner, originates from statism and bureaucratic and nationalist aspirations within it, which weakens its ideological unity, social efficiency, and irreplaceable integrational role. It is his belief that through awareness and knowlegde, the Communists could rise above narrow, personal, partial, and local interests. The state of awareness of the majority of Communists and, above all, of the leading cadres, though, does not correspond to this requirement. This situation must be changed if we are to be more efficient in our opposition to the negative tendencies toward more federalization within the LCY.

In this context, Hafner critically assessed the relationship of the republican and provincal committees with the LCY Central Committee. He considers these leaderships morally diluted and, in practice, rather hypocritical in their attitude to the federal bodies. On the one hand, they genuinely want reputable and sucessful federal organs, while on the other they are worried about the latter's eventual unitarist and centralist pressures.

In principle, we all insist that only the most capable, respected, and progressive cadres should be given jobs in the federal organs.

However, when electing these cadres it is not the requirements of the federation that are given priority. The republics and provinces, or more precisely their leading structures, see their cadres in the federation as their own representatives. As long as these people's views and decisions correspond to the interests and policies of their republics and provinces, they will enjoy the confidence and support of these leading structures. As soon as they oppose them, however, "friendly persuasion" ensures which, if unsuccessful, is followed by political disqualification and dismissal, Hafner concluded.

[Passage omitted] Sergej Kraigher suggested a discussion about the possibility of the LCY Central Committee and its Presidium becoming more open in their work. Communiques do not reveal why a session went on for several hours and why consultations lasted so long. These facts are important not only to keep the Central Committee members better informed, but also to inform the public better.

Kraigher also spoke about the inadequate analysis of past experiences in the formation of action conferences. He particularly stressed the role of the republican and provincial LC leaders in encouraging ties between Communists in those work organizations which extend to several municipalities.

The ideopolitical and action ability of basic LC organizations are the central issues in realizing the LC's role. This ability, however, is not at the desired level. Sessions of the basic LC organizations are infrequent, and there are constant problems with a quorum. The LC organs are, therefore, left to launch initiatives and make decisions, Nikola Jovanovic said.

Jovanovic went on to say that inertia, opportunism, and even open discontent are increasingly noticeable among members of the basic LC organizations. Those who leave the LC say that they do not want to attend sessions without being given the opportunity to change the situation. In the same context, he pointed to cases of disunity and differing views among the party leaders concerning issues on which there should be no differences in opinions. This creates confusion and ideological disorientation among the members.

Mihajlo Danev spoke about the great economic difficulties facing Macedonian Communists and stressed that despite considerable efforts this republic is not capable of overcoming its problems without help from the wider community.

Jospi Vrhovec stressed the need for the LC to devote more attention to the substance and the realization of its role in society and not toward society, as is often done. [sentence as received] Practice and not ossified phrases is the sole criterion of the extent to which the LC has realized its social role. In this context, Vrhovec made particular reference to the need to change the method of work, stressing that the LC frequently and unnecessarily imposed its party ideology on people already committed to fighting for the further development of self-management. At the same time, there is a lack of obligation within the LC itself to accept and implement this ideology. In my view, Vrhovec stressed, our attitude toward society is more sectarian today than it was 20 years ago when only very rarely did the Communists show so little respect for their own ideology. Let us turn the wheel a little, Vrhovec said. We do not need an ideological monopoly. We need to mobilize all progressive forces into action. If we are to achieve this, we must change the method of work. [passage omitted]

Vrhovec also referred to the question raised today: To what extent is the Presidium of the LCY Central Committee united? Precisely to what extent are the LCY Central Committee, the LCY and all its parts united?

Speaking about inefficiency in the work of the party and social activity in general, Vrhovec said that at least 30 percent of the causes of our social and economic crisis are of a subjective character; this includes inadequate unity, primarily in the LC. In Vrhovec's view, one of the ways to overcome this situation is for the LCY Central Committee Presidium to regularly inform the Central Committee about those issues over which differences arise.

While dwelling on the method of work, Vrhovec warned about the negative practice of generalizing all problems, adding that it is not in our interest to project every problem as being a national one. All problems should be properly defined, as not all problems carry the same weight of topicality for different localities, Vrhovec said. [passage omitted]

As it stands today, the LC is not capable of carrying out its commitments, Radovan Radonjic said. To illustrate this sharp assessment, he said that the reasons lie in the LC's collusion with statist structures, in the heterogenous nature of its social compositions, and in the federalization of the working class vanguard.

The LC, Radonjic claims, is deeply and sharply divided into a small nucleus of very influential political professionals who look for support among other structures, and an uninfluential rank and file whose organizations vegetate on the sidelines. Unless it overcomes statism, Radonjic said, the LC will fail to realize its role either at the present or at future stages of our development.

Drawing attention to the socioeconomic divisions within the LC, Radonjic noted that all the obstacles to unity arise from the political, ideological, and other types of pluralism within its ranks. In addition to the bureaucratic and administrative groups, a new middle stratum is emerging among the LC members which to retain its acquired positions generates opportunism in the LC. Their solutions for Yugoslavia are not base on a Marxist analysis of the situation, but on doctrinal approaches designed to defend their national sovereignty and republican integrity. The extent to which they have succeeded in controlling the working class in illustrated by the fact that, in discussions on the changes in the Constitution, attention is not concentrated on how to extend the boundaries of human freedom; instead, time is being spent on establishing precisely the purviews of the republics and provinces. Why haven't we asked the workers, Radonjic added, if they want nine disorganized, expensive, and powerless states? Because with this burden on our shoulders, we can hardly make on a single step forward.

Speaking about federalism in the LC, Radonjic stressed that efforts should be made to find solutions that are suited to the working class first and only then to the nations, republics, provinces, not vice-versa as the case has been so far. If we are doing it in this way, the question would not arise as to who refuses to implement what was agreed on; those individuals would simply be dealth with. There is not revolution, Radonjic stressed, that would not stumble on the obstacles that we are placing before ours. Ending his expose, Radonjic suggested that the LC should prepare a document assessing the situation in both the society and the LC, and proposing a program of measures to change the situation. If, after the "testing" among the members the program fails to receive a "go ahead," he said, the entire Central Committee should step down to make room for some other people from the LC.

Taking the floor after Radonjic, Stane Dolanc said that he could not agree with Radonjic's statement that in it present state the LC is not capable of overcoming the problems facing it. No society in history has achieved so much in such a short space of time as ours under the leadership of this LC.

In any case, despite the fact that the decades some have been predicting its demise, it is still active since our people have the idea of self-management and Yugoslavship, in the nicest sense of the word, deeply engraved in their consciences.

Dolanc devoted a large part of his contribution to contemporary social processes. He said that as the present-day working class is not the same as the working class of 100 years ago, the LC will be successful to the extent to which it is integrated not only with it but with the entire society. Stressing that the LC does not pay enough attention to people's free time activities, Dolanc said that this is an area where new phenomena and new social movements are emerging which the LC had failed to match successfully enough. [passage omitted]

In conclusion, Dolanc said that he does not agree with the views that nothing has changed either in the LC or in society since the 13th LCY Congress. It is wrong to think that a single congress can change anything, and, in any case, we have only had 6 months since then. People have realized that they must work toward opening our economy to the third world market. The question, though, is whether those of us in the Central Committee has realized that. [passage omitted]

Taking advantage of his right to reply, Radovan Radonjic said, in response to Stane Dolanc's statement that he does not agree with Randonjic's view that the LC as it stands today is not capable of resolving major social issues, that he would be very happy if Dolanc's statement proved to be right. I am also an optimist, but in a different way. I said that I firmly believe that our tasks outlined in the LCY programs and the resolutions of the 13th LCY Congress are in line with the historic process and the interests of our working class, and that it would be possible to carry them out even under these difficult circumstances. I have my reservations, though, as to whether the LC can do it while burdened with many different organizational problems. The LC needs changes, Radonjic said.

Despite undeniable progress since the 13th LCY Congress, we are nevertheless facing a discouraging picture in our work, Marko Lolic said. Because of the LC's historical responsiblity, we cannot simply shrug it off or hide ourselves behind the cliches about the "mistakes due to progress," mistakes which are inevitable as we move forward along the road of progress. We also cannot say that the time we have to improve the situation or to make a turnabout has been too short. In any case, our deadlines are fixed -- they are short and cannot be reset. Those movements that understand well the circumstances and requirements of the period in which they function and which are capable of altering the circumstances though an exemplary revolutionary action stand to win, Lolic stressed.

All indications are, Lolic added, that the present moment is one of mobilization designed to reverse trends both in society and the economy. This, of course, is an issue of the LCY's role as a vanguard. He suggested that an LCY conference should be held -- and an LCY statute provides for the possibility -- next autumn, perhaps, that would deal with this complex issue and with the LCY's future strategy and tactics in analyzing and implementing the main commitments of the congress. All this is necessary to gain complete insight, to call to account and to further improve, and at the same time resolve, all that is still puzzling us and all that is only hinted at as the main course of action in the congress resolution.

Milanko Renovica, president of the LCY Central Committee Presidium, dwelt on some remarks which had been referred to the Presidium during the discussion. During the preparations for this session, the Presidium used, as the source of its inspiration, the decisions of the congress and the broad discussion which preceded the congress.

We are aware, Renovica said, that 6 months later it is neither possible nor realistic to produce any serious analysis of the LC's ideopolitical activity. In the same way, it is not realistic to expect that after such a decisive congress resolution on these issues, a document can be passed offering something new. The resolution is both a fresh and detailed one, indicating the direction in which the ideopolitical activity should be further developed to realize the congress decisions.

However, today's discussion, which was very critical regarding certain matters, is of particular importance for the further work of the Central Committee, its bodies, and presidiums, but also for the broader activity of the entire party membership. While preparing this session, we came to a conclusion that the LC action is not yet suitable for the present-day serious complex duties we have been carrying out, added Renovica. Aware of the fact that it is no longer possible to continue with the old method of work, we attempted to bring in some fresh elements, in the sense that sessions of the LCY Central Committee are not prepared by the Presidium alone. These issues were discussed in all the central and provincial committees as well as in the LC committee in the Yugoslav People's Army.

We also proceeded from a notion that it is neither realistic nor necessary to immediately pass the stands at today's session. This means that the Central Commitee, as the top LCY organ, should say for itself how the work needs to be done and to provide political guidelines for the further work of the Presidium.

We bear in mind the fact that the method of work of the Central Committee and its Presidium and working bodies cannot be determined and defined in one single discussion, regardless of how it was prepared and to what extent we were aware of the importance of amending the old method of work. The method of work must be built continually, in action and in political life, and we must always come back to this question. For quite obvious reasons, a question was raised today, said Renovica, as to how the LCY Central Committee Presidium and its members assess the degree of political unity and how the Central Committee should be informed about it. The Presidium understands and realizes its duty that if considerable differences in the implementation of party policy occur, it must not only inform the LCY Central Committee, but it must also discuss them at its sessions. During the work at a total of 20 sessions of the Presidium, we concluded that certain differences in views do not exist, particularly in initial discussions, but that so far there were no instances of disturbing unity with regard to the fundamental questions concerning the realization of the LCY policy.

Recalling that republican provincial, and the organization of the LCY in the Yugoslav People's Army are all acting under different conditions, Renovica stressed that this caused objective differences in approach, ideas, and views, and that unity must be a result of a continual democratic dialogue, via a continual struggle of opinions. Apart from some disturbances, which arose as a result of an approach to the amendments of the SFRY Constitution, about which you had been informed, other issues were on the whole coordinated.

As far as the public is concerned, Renovica said that the work of the Central Committee is public, which is also in accordance with the Constitution. It is to be agreed how the public should be briefed on the work of the Central Committee Presidium. It is obvious that what has been done so far through statements is insufficient, incomplete, and generalized. We will try to further examine this and put it into effect in our departments.

Accepting a proposal of the LCY Central Committee that the conclusions on the ideopolitical and action level of training should be adopted at the next session, Renovica warned that these should not be a repetition of what was said in the conclusions of the 16th session.

They should, Renovica made it clear, be directed toward crucial questions regarding the consolidation of the basic socialist self-managing production relationship, the consolidation of the power of the working class and working people, the strengthening of the role of associated labor in establishing and implementing the development policy and in deciding on the income and funds of social reproduction, as well as toward the development of the political system. It is also essential to more directly intensify the activity of the LC in society as a whole and in the front of the organized socialist forces as well as to speed up the development of the process of democratization of relations in the LC.

In the process of implementing the established policy, the conclusions should, according to Renovica, reflect a need for the ideopolitical training and involvement of the membership, organizations, and organs aimed at the offensive ideological struggle for the reaffirmation and realization of the ideology and policy of the LC against the aggressive activity of antisocialist and anticommunist forces and individuals. Also, the LC should make clear the ways of intensifying the individual and collective responsibility at all the levels of the organization.

It would be good,. in Renovica's opinion, that presidiums, central and provincial committees, and the committee of the LC organizaiton in the Army analyze and assess their own activity, examine the topical questions of the ideopolitical and action level of training and take stands on further tasks which aim to consistently implement the decisions of the 13th Congress.

The draft conclusions, prepared by a working group, would be submitted to the presidiums of the central and provincial committees and the committee in the Army, as well as to corresponding commissions of the Central Committee, in order that they could, by their proposals and views, make the conclusions suitable for the present state of affairs and tasks. At the same time, this would mean a specific mobilizaion and participation of everyone in the preparation of these conclusions, Milanko Renovica said, among other things.

In the continuation of the session, it was decided that the rules of procedure on the work of the LCY be adopted at the first session next year. Meanwhile, the proposed rules of procedure, in connection with which a number of objections were raised today, will be discussed in the LCY Central Committee commissions and the leaderships of the republican and provincial LC organizations.

GEN JOVICIC INTERVIEWED ON DEVELOPMENT PLANS

LD210334 Belgrade TANJUG Domestic Service in Serbo-Croation 1108 GMT 20 Dec 86

[Text] Skopje, 20 Dec (TANJUG) -- Thanks to intensified ideopolitical work, great efforts by Communists and commands, many LCY Central Committee decisions and stances, and our overall efforts in developing a socialist Yugoslav consciousness and Yugoslav socialist patriotism, the Yugoslav People's Army (YPA) has succeeded in maintaining a very high level of ideological consciousness and moral strength. This enables it to affirm its role as a powerful factor for stability in our social system and a factor in outflanking any type of aggression, Colonel-General Georgije Jovicic, president of the LC Committee Presidium in the YPA and member of the LCY Central Committee Presidium, stressed in an interview to Radio Skopje.

In the interview broadcast today, Jovicic added that in conditions of significant differences on a series of questions in the LC, the strengthening of antisocialist forces, nationalism, the right, and so on, it is not easy to maintain ideopolitical unity. As a result, these questions have constantly been at the center of our attention. YPA members, especially Communists in the Army, have made a significant contribution to all the actions undertaken by our society and the LCY.

He stressed that the most important achievements in the work of the Army this year were results in the modernization and development of the YPA and in the Army's moral-political unity. Jovicic stressed that his year he has initiated the current 5-year planning period of the development and modernization of the UPA. In acknowledgement of economic difficulties in society, some plans for development and the provision of technical equipment have been revised.

Speaking about the stabilization program and the YPA contribution to the implementation of the long-term program of economic stabilization and the effects of stabilization measures in the Army are being implemented continuously and in a planned way. Thanks to the measures taken, we expect that this year direct savings will be over 5 percent of the total funds available to the YPA this year. This is an increase of about two percent compared to the preceding period. Considerable savings are being achieved in military industry by the production of armaments and military equipment at lower prices than that of other industrial products in the country. In the field of training, the JNA trains and returns to the economy several thousand badly needed cadres every year. This is a fact with which our public is already acquainted by having heard reports by the federal secretary for national defense.

Assessing the period after the 13th LCY Congress and the activity of party organizations in the YPA, Col Gen Jovicic stressed that Communists in the Army are united in their assessment that the 13th congress fulfilled their expectations. Readiness has been expressed to become directly involved in implementing the stances and decisions adopted at the congress. There are numerous examples of positive action, exceptional responsibility, and the devotion of Communists and other YPA members in carrying out their everyday tasks.

Col Gen Jovicic said, among other things, that in he YPA a determined request has been made to make political action more fruitful and to prevent the phenomenon of passivity, inertness and irresponsible behavior. It is expected of Communists that they are militant in resolving set tasks.

FEC DECREES RISE IN PRICE OF GASOLINE

LD252313 Belgrade TANJUG in English 2249 GMT 25 Dec 86

[Text] Belgrade, December 25 (TANJUG) -- The Yugoslav Federal Executive Council this evening decided to raise the prices of petrol as of tomorrow by an average 23.7 percent. The price of 86-octain petrol will be raised by 24.3 percent, and the price of 98-octaine petrol by 23.1 percent. The price of diesel fuel will also be raised by 21.5 percent. By the government decision, prices of refinery oil derivatives will also be raised by 8.2 percent. The decision to raise the prices of petrol, diesel fuel and oil derivatives was explained by the increased refining costs and expenditure for covering the exchange rate differences for oil imports.

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CSSR'S EHRENBERGER DISCUSSES POWER INDUSTRY

LD242235 Prague Television Service in Czech 1730 GMT 22 Dec 86

["Interview with Vlastimil Ehrenberger, CSSR minister of fuels and power, by various correspondents at 22 December news conference, place not specified; live or recorded]

[Summary] [Prague TV Correspondent] "Comrade Minister, the recent fourth session of the CPCZ Central Committee stressed that the tasks of the Eight 5-Year Plan represent a qualitatively new stage in the development of the Czechoslovak economy, based above all on the intensification of speeding up scientific-technological progress and lowering material requirements of production. How does it reflect it the power industry?

[Ehrenberger] This idea is anchored in the resolution of the 17th CPCZ Congress and in the Law on the 5-year plan. As to nuclear power engineering, for example, up to the end of this 5-year plan production should represent 25 billion kilowatts of electric power. The main idea is to replace coal whose extraction should be lowered in the last few years of the 5-year plan. As to centralized supplies of heat, it is a strong power-saving source; it also represents savings of labor force, materials, and equipment. The old thermal power stations, which will be rebuilt, will be used for the production of combined heat. A great role is also played by the heat, which would normally escape from nuclear power stations, and which will be utilized. In the current 5-year plan only, it is estimated that about 100,000 metric ton of black coal will thus be saved. In the coming years, up to the year 2000, this substitution will represent about 1 million metric tons of black coal.

[Unidentified correspondent] What is the program of building hydropower stations like?

[Ehrenberger] This program was approved: There will be small hydropower stations, and those whose output will exceed 10 megawatts. Unfortunately, Czechoslovakia is not very rich in water resources, so our possibilities are limited in the final years to about 10 billion kilowatts of electric power.

[(?NOVA DOBA) correspondent] This year, the plan of production of assorted coal for small consumers will be exceeded. Despite this, there are considerable difficulties in coal supplies. Could you explain this contradiction?

[Ehrenberger] I do not know of any considerable difficulties. There may exist individual isolated cases of shortages of coal or shortages of coal of the required quality. I would like to say that our concern is coal mining, but its distribution is not organized by us, but by the Ministry of Trade. A great role, of course, is played by coal transportation, which is being secured by the department of Transport. We do our best: In comparsion with the plan, we want to extract 1.3 million of assorted coal over and above plan. The sources of assorted coal are rapidly diminishing in our country. Such localities as Most or Maxim Gorkiy open-cast mines are almost exhausted. Low-quality coal, however, which is still in good supply, can be used by industrial enterprises, hospitals, and schools, since special boilers have been developed for this purpose.

[CTK correspondent] What about power supplies this winter? There appear to be difficulties.

[Ehrenberger] In view of the situation, which does not depend on Czechoslavakia alone, we had to increase production of electic power this year by about 2.5 billion kilowatts in comparison with the plan. We could not use our water resources as we had planned, and some enterprises increased their planned power consumption. That is why we used the so-called seventh degree which is not at all a regulation degree. It means that

everyone gets a certain amount of power according to agreed drafts and at a certain time; in other words, it leads toward a certain kind of discipline. This consumption degree proved justified. Many enterprises and institutions, which exceeded power consumption, corrected their behavior.

We then recalled the seventh degree and I would like to put our listeners at ease and promise that we will not be using it.

[Unidentified correspondent] "It is not a secret that the situation in electric power supplies in neighboring countries, in CEMA countries is not too favorable. Will this situation affect our power network?"

[Ehrenberger] "Of course, such a vast network as this network is, has its great advantages; great advantages in the internetwork effect - that we can help each other -- this is a great advantage. However, of course there are disadvantages if some participants think that they can only take from this system and contribute less to it. There exists this danger, not in all the states, the neighboring states, but this is also an internal matter -- we have to reckon with the possibility of such trends. We have had very specific talks with our neighbors and friends, and we have adopted measures in this respect in order not only to take electric power from the system, but to maintain the necessary balance and also to observe its frequency as one of the important quality indexes of electricity supplies."

[Unidentified questioner] Czechoslovakia has promised to reduce the overall emissions of sulfur by 30 percent by 1993. Is this being fulfilled?

[Ehrenberger] I think this pledge is a very correct one. It is not an easy task. The first path for its fulfillment is the building of nuclear power stations. The second path is the production of coal power stations which are going to be and already are being desulfurized. It is not easy from the technological point of view and it is not cheap. Together with the USSR, we have embarked on the production of desulfurization equipment in Tusimice. I would like to stress that this equipment represents up to 40 percent of the price of the power station. Despite this, we have decided to implement this process in power stations such as Prunerov-2, Pocerady, Novaky, Tisova, Melnik.

[Unidentified questioner] "The State Power Inspectorate, during the checks carried out this year, discovered serious shortcomings in the case of 50 percent of enterprises, both in the technical state of equipment and also in exceeding consumption. These organizations have already been fined; however, as the results show, the fines are not yet fully effective. Should there not also be some other additional punishment besides the fines?"

[Ehrenberger] "Not only this year but in the past, too, our State Power Inspectorate discovered offenses. I would not wish for our State Power Inspectorate to be an organ that carries out only repressive measures. Our State Power Inspectorate also provides a very important consultative service -- it examines projects. And we would wish for this part of activity of the State Power Inspectorate to broaden. But the fact is, however, that it acts as a repressive organ because, if, as we say, some would not listen to reason then other means have to be used. And these means are indeed used by the State Power Inspectorate. I would like to say that a new bill on the State Power Inspectorate, which has been prepared, will give it further rights -- both in its function as a consultative organ, and in its repressive function. Thus, for example, it is being proposed -- the bill has not yet been passed of course -- that it may mete fines, to organizations or individuals, of Kcs 200,000 and for repeated offenses, Kcs 400,000. These are not small sums and in the case of individual fines -- Kcs 10,000 or bloc fines [blokova], represent about Kcs 500. We do not want to use these sanctions, naturally, but in some cases this is necessary. We would wish for enough electricity to be generated, but also for its rational use.

In the case of those who will not be willing, despite the punitive measures, to improve the matters, we will even be able to adjust the limits of their power supplies."

[RUDE PRAVO correspondent] Are there any plans to increase the economic interest of enterprises in better utilization of power?

[Ehrenberger] In comparison with other countries, you are quite right in saying that power in our country is not being dispensed with wisely. We have increased wholesale prices of power, in harmony with the rest of the world. We have agreed that these wholesale prices will be adjusted in the next 2 years. The state subsidies will represent about Kcs 7 billion as to the difference between retail and wholesale prices.

[Unidentified questioner] The current 5-year plan and prospects up to 2000 envisage much more extensive use of natural gas. The sources for domestic consumption are to increase by about 45 percent. What is the current situation with regard to natural gas supplies?

[Ehrenberger] For example, we now use about over 11 billion cubic meters of natural gas. During the nineties, this will be increased up to about 15 billion cubic meters and at the end of the century, the consumption should constitute over 19 billion cubic meters. We must realize that our own resources are not very rich, and we cannot cover our consumption merely by increasing our extraction; imports play the main role. We buy natural gas in the USSR. The production of city gas, produced from brown coal, is being reduced, and now represents a mere 3 billion cubic meters.

[Unidentified questioner] How much are we dependent on imports in our power industry?

[Ehrenberger] It is true that we export some kinds of power, such as coking coal or coke, and also a small amount of brown coal. However, most power is being imported; specifically, our entire consumption of oil is being covered by imports from the USSR. We also import electric power from the USSR; about 3 million metric tons of black coal from the USSR; we import 1.5 million metric tons of black coal from Poland; and we import about 600,000 metric tons of briquettes from the GDR.

[Unidentified questioner] After the third unit was put into operation in Dukovany recently, the share of nuclear power production is now more than 20 percent. How is the construction of nuclear power stations continuing, that is, in Mochovce and Temelin, where four 1,000-milliwatt units are being built?

[Ehrenberger] Recalling Dukovany: We managed to overfulfill the plan and complete the unit ahead of schedule. In Mochovce, we are moving further in that all the knowledge as to safety and production is being implemented. A seismic power station and a new method of automatic control center will be implemented here. "Seismic" means that the power station is resistant to earthquakes. Temelin is also a seismic power station. The volume of building work at Mochovce will constitute next year about Kcs1 billion. There are, of course, problems in project documentation, mechanical problems, as is the case at such large building projects. But I am convinced that the first unit of Mochovce power station will be put into operation at the end of 1989, as planned. As for Temelin, work is continuing successfully in safeguarding production, housing, and other facilities which are connected with large numbers of employees. Tasks are being fulfilled also from the point of view of finances and deadlines and actual production. The main effort now goes to concreting the foundations which should be finished next summer.

[Unidentified questioner] "During the 23 years of production experience of our reactors in nuclear power stations, there has not been a single situation which led or could have led to radioactive substance leaks. The broad background for the safety at nuclear power stations was also anchored in Bill 28 from 1984. Despite this, what was the lesson of the Chernobyl tragedy for us?"

[Ehrenberger] "Naturally, we took part in all talks concerning the use of experiences from the tragedy, or the accident, at the Chernobyl power station. Exerpts from our country, from our Ministry, from enterprises, from Jaslovske Bohunice and also from our nuclear commission were present at the assessment -- I would like to say -- the very detailed discussion of the entire accident -- delivered by Soviet specialists and experts. And we asked ourselves which of these experiences we can use in our nuclear power stations."

First of all, I would like to say that the RBMK type which was implemented only at Chernobyl is completely different in principle from the VVER-TYPE reactor used in our country. Also, the moderating system is different in our country; it is water rather than graphite. But there are some points from the Chernobyl assessment that can be generally used, not so much in the construction, but in the human factor. We would like to devote and we are devoting great attention to this aspect. For example, we have built a teaching center in Trnava where we train cadres for nuclear power stations. Our employees are being trained there continually. There are six shifts working at a nuclear power station. That means that four shifts are at work; the fifth shift is in reserve in case something happens; and the sixth shift is a training shift, which means that various situations are being simulated where the members of this shift demonstrate their abilities of fast reaction. We would like to perfect these methods of cadre education. The process of selecting cadres for nuclear power station management is strict, and distinct ability is called for. Then there are small measures, such as order, storing of documentation, fire measures, and so on, which should be used in our nuclear power program so that it may serve the people and so that it does not represent any danger.

[RUDE PRAVO correspondent] "Many enterprises, and even individuals, would like to save electricity but often they do not have enough suitable and financially affordable regulation equipment. Is anything being done in this respect?"

[Ehrenberger] "Here, experiences are being utilized both from abroad and even our own. If the heating equipment is installed properly, up to 20 percent of energy can be saved. And in the case of hot water, the best possible utilization of regulation equipment can save up to 30 percent. True, the introduction of regulation equipment is slow. The various equipment was on show recently at "Pragoterm" exhibition in Prague. It cannot be said that we do not make such equipment, but it is being introduced slowly. There are still some aspects -- such as prices and servicing -- which have not been resolved yet. The regulating equipment is being utilized in the world successfully -- it also makes people happy they have a control over what they need, hot water, for example."

CHARTER 77 MEMBERS CITED ON 10TH ANNIVERSARY

AU301104 Paris AFP in English 1046 GMT 30 Dec 86

[By Paola Juvenal]

[Text] Prague, Dec 30 (AFP) -- The Charter-77 group, founded on January 1, 1977 by Czechoslovak dissidents in protest against human rights abuses, has remained for 10 years a focal point of resistance against government repression.

The Charter was launched as a manifesto by a small group of dissidents prior to the 1977 Conference on Security and Cooperation in Europe, which was to review the accomplishments of the Helsinki accords signed two years earlier.

The Charter's signatories swelled from 242 to some 1,200 by the end of that year, and in April 1978, in the midst of a crackdown on dissidents by the Prague government, the VONS (Committee for the Defense of Persecuted People) was created as the group's active core.

Ten years later, repression and waves of emigration he left the Charter with only 1,000 members, the same number as when it was founded, including intellectuals, workers, Catholics, Protestants, and ex-government officials such as Jiri Hajek, foreign minister in the 1968 "Prague Spring" government that was overthrown by Soviet troops.

The group considers itself "free and pluralist" and refuses to be identified with a political movement, such as the much more widely followed democratic opposition in Poland. Half of its members live in Prague, and being of mainly Czech inspiration, it has received little support in Solvakia.

But the Charter has maintained a visibility much greater than its actual numbers would suggest, partly owing to the word being passed over to the West by emigres, and the government has had to modify its approach.

"The regime now seeks less to repress than to intimidate, to deter, so as not to directly upset opinion in Western countries with which it wants to have trade links," one dissident said.

Dissidents are no longer imprisoned, as they were following the VONS trial in 1979, another Charter signatory noted. "They just watch us and call us in from time to time for interrogation," the dissident said.

As playwright Vaclav Havel, one of the Charter's founders and main spokesman, put it, "the regime has had to get used to living with the Charter; it has won the right to exist."

For the first time this year, children of dissidents were admitted to university, while others have been allowed to travel to the West -- an unthinkable concession a few years ago.

The recent revival of an East-West dialogue on human rights has contributed to the government's softer stand, and the liberal policies of Soviet leader Mikhail Gorbachev on dissidents have led Czechoslovaks generally to hope for a similar new liberalism at home.

"People appear to be less afraid, they freely discuss problems they would never have dared talk about except in private," Jiri Dienstbier, a Charter signatory, said. But the dissidents here are careful not to over-estimate the government's capacity for change. In the past few months, the Charter has had to come to the defense of the country's cultural groups which have recently borne the brunt of governments repression.

The seven leading officials of the Jazz Section have, notably, been in jail in Prague for four months and the Charter has been clamoring for their release. As Mr. Dienstbier noted: "Our main ambition is that the Charter be made totally useless, for that would mean that freedom was finally respected in our country."

HONECKER ARTICLE OUTLINES NEW YEAR TASKS

LD301641 East Berlin ADN International Service in German 1350 GMT 30 Dec 86

[Text] Berlin, 30 December (ADN) -- The article by Erich Honecker, the general secretary of the SED Central Committee and chairman of the GDR Council of State, is entitled "A Peaceful and Happy New Year to all GDR Citizens." Its text is as follows:

At the threshold of the new year, soon to be crossed, I warmly greet all citizens of the GDR and express my best wishes for 1987. I am thinking of all that concerns the well-being of each one of us, good health, success in one's job, happiness, and the success of useful resolutions in the personal and social sense.

If we carefully examine the results of 1986, we may say that we have jointly done much to foster confidence that we shall manage the no less exacting tasks of the new year. Above all, we want to do our bit to preserve and strengthen peace. Our socialist GDR shall continue to flourish. Our efforts shall bear fruit for the benefit of the people.

In the domestic and foreign fields, the implementation of the decisions of the 11th SED Congress is proceeding. Great achievements brought stable and dynamic growth rates in our economy and contributed to the shaping of our developed socialist society. The application of key technologies, the pursuit of the highest achievements in science and technology, increasing productivity and lower consumption of energy and materials -- these are the features of our socialist competition, reflected in the fine results in accounting for the 1986 economic plan.

At the end of the year, I feel compelled to wholeheartedly thank all who in whatever field have contributed to our successful overall results. My thanks go to the workers, cooperative farmers, scientists and researchers, cultural workers, women, our fine young people, and the labor veterans. It goes out in particular to the members of our Armed Forces, who at all times ensure the reliable protection of our gains and a life in peace.

In the past year, as in others, the GDR has been able to rely on the fraternal ties and cooperation with the Soviet Union and the other socialist community countries and has contributed much to their further development. The Moscow meeting of the leaders of the socialist CEMA member-states was of fundamental importance for the consolidation of this collaboration. It ushered in a new phase in the relations between our parties and countries.

In the struggle for a secure peace, the GDR steered a firm course and undertook a good deal in 1986. It was shown that the policy of dialogue and cooperation is paving the way for those agreements on which the defusing of the world situation depends, for concrete measures toward disarmament, and normal, predictable international relations. The danger of a nuclear war has still not been banished. Indeed it has been increased by the United States, which clings to the SDI and by Washington's moving away from SALT II. It is in the interest of all mankind to break out of the vicious circle of the arms race. Our republic will tenaciously work to that end.

During Mikhail Gorbachev's meeting with Ronald Reagan in Reykjavik, it became clearer than ever that practical agreements on disarmament are not only necessary but possible. One must not flag for one moment in the efforts to bring them about.

Mikhail Gorbachev's proposals to rid the world of all nuclear weapons by the year 2000 and the proposals of the Warsaw Pact states for conventional disarmament from the Atlantic to the Urals point the way. They encourage all forces of reason and realism and counteract all who prefer to build arms and confrontation, who are dreaming of military superiority, and who are prepared to take reckless risks.

Today we can properly understand all that depends on the growing strength of socialism. The GDR's record of achievement in the past year is of particular value because it reflects the good start of our new 5-year plan. Our produced national income rose by 4.3 percent, achieved mainly by increased productivity and lower production input. Production was further intensified. This primarily shows that science and technology, key technologies, such as microelectronics and electronic data processing, increasingly sustain our economic growth. We are successfully implementing our economic strategy. Its pivotal point is to link the advantages of socialism with the gains of the scientific-technical revolution. Our agriculture produced good results in 1986; just recall the grain yield of 4.64 metric tons per hectare.

Significant improvements in our material and cultural living standards went hand in hand with our increased economic performance. Pride in where one lives goes with the handing over in the past 12 months of over 215,000 new and modernized dwellings. Young families, mothers, and children, enjoyed still more favorable conditions. Our education sytem was further improved. Health care was expanded. Net money incomes rose by 4.5 percent. All this was done while prices were kept low for essential goods, rents, tariffs, and services, which we shall continue to keep low.

All in all, we may rightly say that our work has been worthwhile. The year 1986 has been a good year for our people. We shall continue purposefully on our path. It will not be easy, for human needs and the shaping of our developed socialist society are making high demands. In 1987 we shall have to continue the brisk pace of economic growth, and indeed accelerate it in important sectors. The indices of our economic plan show how we shall implement the integration of economic and social policy next year. The crucial point is to develop key technologies still more rapidly, apply them on a wider scale and use them more effectively. Our success in 1986 spurs us to march still more single-mindedly into the world class of economic efficiency and to gain a lead at essential points.

Higher demands will be made regarding the quality and reliability of our work, the exact rhythm of production and contract fulfillment, the spirit of innovation and initiative. The importance of the preparatory work done by our schools and universities emerges with increasing clarity. With industry calling for creative thinking and action, people are demanding more from art and culture. So this social process, the hallmark of our 5-year plan, is permeating all areas of life. The year 1987 will be one of great events and more than a few challenges in our work and struggle. A special high point will be the 70th anniversary of the victory of Red October, which switched the destiny of mankind to new paths. The rise and development of our GDR is one of the world's historic changes in favor of socialism and progress, which it initiated. The GDR has proved itself a stable pillar of peace and socialism in the heart of Europe.

The decision of our 11th Congress provide us with a reliable guide for action in the new year. Throughout our country, the new year will be marked by our continued pursuit of the proven policy of integrating economic and social policy for the good of the people, the successful shaping of our developed socialist society, and active contribution to the safeguarding of world peace. That is worth the personal commitment and vigorous cooperation of all of us. Thus, everyone will help our common cause as well as themselves.

PRESIDENTIAL COUNCIL RELIEVES, APPOINTS OFFICIALS

LD301608 Budapest MTI in English 1447 GMT 30 Dec 86

[Text] Budapest, December 30 (MTI) -- At its Tuesday session the Presidential Council passed decisions on new assignments and retirements under the proposal of the HSWP Central Committee and the National Council of the Patriotic People's Front. The Presidential Council relieved of their posts Lajos Faluvegi, deputy chairman of the Council of Ministers and president of the National Planning Office, Istvan Hetenyi, minister of finance, and Jozsef Szakali, president of the Central People's Control Commission, with the appreciation of their merits.

The Presidential Council appointed Deputy Chairman of the Council of Ministers Laszlo Marothy president of the National Planning Office, Frigyes Berecz deputy chairman of the Council of Ministers, Laszlo Ballai president of the Central People's Control Commission, and Peter Medgyessy minister of finance. Following the session of the Presidential Council, Frigyes Berecz, Laszlo Ballai and Peter Medgyessy took the oath of office in front of Pal Losonczi, in the parliament building.

The Presidential Council of the People's Republic has awarded the Red Banner Order of Labour to Lajos Faluvegi, Istvan Hetenyi and Jozsef Szakali, in recognition of their successful decades-long work, on the occasion of their retirement. The honours were handed over by Pal Losonczi, president of the Presidential Council, in the parliament building on Tuesday. Present at the event were Janos Kadar and Gyorgy Lazar.

Biographies of New Officials

LD302025 Budapest MTI in English 1608 GMT 30 Dec 86

[Text] Budapest, December 30 (MTI) -- Laszlo Ballai, the new president of the Central People's Control Commission, was born in 1929 of a large peasant family.

He has been member of the party since 1952.

Laszlo Ballai graduated from the Karl Marx University of Economics in 1956 as an economist, and worked with the Mohacs District Council, the party committee of the 9th district of Budapest and of the Karl Marx University of Economics, the National Planning Office and in the administration of the Central Committee of the HSWP. He has been the head of the Economic Policy Department of the Central Committee and the member of the Economic Policy Commission of the Central Committe since 1980.

As a member of the Hungarian Economists' Society he was active in streamlining the Hungarian economic management system.

Frigyes Berecz, new deputy prime minister, was born in Budapest in 1933 of a worker's family. He become a mechanic and joined the Army in 1949. Later he was employed at the Beloianis factory for telecommunications equipment as an electromechanician and then was promoted to managerial posts. He has been managing director since 1981.

He has been a member of the party since 1962.

He graduated from the Budapest Technical University, in electric engineering and took a postgraduate course in economics.

He was elected a member of the HSWP Central Committee in 1980.

Peter Medgyessy, new financial minister, was born in 1942 in Budapest. He graduated from the Budapest-based Karl Marx University of Economics in 1966, and has since been employed at the Ministry of Finance. Since 1970 he has held in several important posts of the ministry, particularly in the field of pricing and taxation. He contributed to the modernization of the economic and financial regulation system.

He has been member of the HSWP since 1965.

He became a member of the International State Financial Institute in 1973, and has published several studies on international financial issues. He was appointed deputy foreign minister in 1982, and is a member of the Presidium of the Financial Section of the Hungarian Economic Society.

VARKONYI ADDRESSES NATIONAL ASSEMBLY 20 DEC

AU271625 Budapest NEPSZABADSAG in Hungarian 22 Dec 86 pp 3-4

[Report on speech by Foreign Minister Peter Varkonyi at the National Assembly session in Budapest on 20 December]

[Text] In his report, Foreign Minister Varkonyi analyzed both the international situation and Hungarian foreign policy in the past year. First, he mentioned the fact that it is precisely a year since the National Assembly session of December 1985 expressed the hope that the international political conditions for this Hungarian activity might become slightly more favorable than previously. "Indeed, as a result of the peace initiatives of the Soviet Union and the other socialist countries aimed at radically changing the international situation and an increase in the the activity of the realistically thinking political and social forces in the world, there has been a slight easing of tension in international life. Therefore, there are possibilities for progress in certain areas of world affairs. Now we can already state with certainty that the first signs of this progress appeared at the Soviet-U.S. summit in Geneva in November 1985. As a result, in the course of more than a year that has passed, Soviet-U.S. contacts have widened and the new summit in Reykjavik was an event of paramount importance in the series of these contacts.

"Today it is recognized all over the world that the dynamic foreign policy steps adopted at the 27th CPSU Congress and which express a new way of thinking play a decisive role in strengthening the positive trends in world affairs.

"The most important thing is the fact that this foreign policy guideline -- which the Hungarian Government policy also supports with every possible means -- is in close harmony with the requirements of the nuclear-space age. It expresses the universal human interests. The demand for the creation of a mutual and adequate international security is at the center of this foreign policy. It starts from the premise that it is impossible to win not only a nuclear war but also the arms race. And equal and mutual security must be guaranteed by political means rather than by military threat and deterrence. This policy regards the establishment of international security and relations on new foundations in a wide context, together with the development of economic and humanitarian cooperation, in addition to the political and military factors."

Varkonyi mentioned the unilateral nuclear test moratorium in force as of 6 August 1985 as a characteristic fact of the practical implementation of this policy, a moratorium that is closely related to the comprehensive program announced on 15 January 1986 and which stipulates the gradual elimination of nuclear weapons and other weapons of mass destruction by the end of the century.

We Support the Soviet Appeal [subhead]

"In the spirit of this highly important initiative General Secretary Mikhail Gorbachev submitted a package of proposals at Reykjavik on the radical reduction of nuclear arms within a few years and their subsequent elimination, as well as on avoiding the spread of the arms race into space. We support the recently published appeal of the Soviet Government on immediately starting negotiations covering all areas on the total banning of nuclear tests" -- Peter Varkonyi declared and added that this widespread security policy concept expresses the interests of the entire socialist community and the principles included in this concept are embodied also in the concrete foreign policy initiatives and steps of the other Warsaw Pact member-states. "The proposals made by our alliance are flexible, original and also broadly take the interests and security considerations of our partners into consideration. The Appeal of the Warsaw Pact's Political Consultative Committee made in Budapest in June this year, for example, an appeal that contains a concrete program for the reduction of armed forces and conventional arms in Europe, was of outstanding importance from the viewpoint of a large-scale reduction of military confrontation.

In the report, it is regarded as a matter of outstanding importance that the UN raised to the rank of a decision the proposal for the creation of a comprehensive international system of peace and security submitted by the Hungarian People's Republic in the name of 10 socialist countries.

Peter Varkonyi then discussed the fact that as a result of the Soviet proposal there is increasing recognition all over the world that nations must join forces in order to ensure the survival of mankind, and that they can and must halt the arms race and must work out and sign genuine arms limitation and disarmament agreements as soon as possible. Our Western negotiating partners who receive our proposals with more or less reservation also agree with this fact.

"Unfortunately, the events show that the forces that are not interested in signing genuine agreements and in eliminating nuclear weapons also have a considerable influence, particularly in the United States. The U.S. military-defense industry complex and the forces trying to achieve military superiority are endeavoring to revoke the agreements formulated on certain issues in Reykjavik and to cancel the results of previous years. The U.S. violation of the SALT II treaty, among other things, also proves this trend. As a result of all these, the conditions for the continuation of Soviet-U.S. negotiations have again become more difficult and we have to count in the future, too, on the possibility of new tensions emerging in the relations between the two leading powers.

"The overwhelming majority of the West European countries constantly express their interest in limiting and eliminating nuclear arms. It is unfortunate that, at its latest session, the NATO Ministerial Council -- sticking to its doctrine of nuclear deterrence -- instead of calling for the total elimination of nuclear strategic offensive weapons, called for a reduction of only 50 percent. We, for our part, regard the implementation of the Soviet proposal made in Reykjavik on the total elimination of the strategic offensive weapons as the desirable alternative from the viewpoint of all mankind.

"As is well-known, the NATO Ministerial Council session in Brussels published a statement concerning the limitation of conventional armed forces and their weapons stationed in Europe. [paragraph continues]

"In spite of its clearly negative elements, too, we regard this position as something that -- although it does not provide a genuine answer to the Budapest appeal -- nevertheless opens up possibilities for discussing the proposals included in that appeal. The two sides will have to perfect their concepts in the coming period in order to be able to start genuine negotiations in the spirit of equal and mutual security aimed at considerably reducing the military confrontation. The Hungarian People's Republic is ready to take an active part in the preparations of such negotiations," Peter Varkonyi stressed and then continued as follows:

"The main trend today is that the new political thinking that recognizes the realities of the nuclear age and accepts responsibility for avoiding a nuclear catastrophe are increasingly strengthening in the world. A good example of this is provided by the active stand of the leaders of the states called the "Delhi Six" - Argentina, Greece, India, Mexico, Sweden, and Tanzania, or the summit conference of the nonaligned countries held in Harare.

"A similarly important contribution to the creation of a more favorable atmosphere was given by the success of the first phase of the Stockholm Conference on Confidence-Building Measures and Security and Disarmament in Europe. This was the first serious international step to extend the process of European security and cooperation to the military area since the Helsinki Final Act was signed.

"All these are in harmony with the fundamental efforts of Hungarian foreign policy. Our active participation in the common endeavors aimed at creating a peaceful world free of arms expresses our national interests."

For the Solution of Global Problems [subhead]

"In the past months, the interest also turned to global problems whose solution requires a large-scale international collaboration. One such global problem is, for example, the common struggle against environmental damage, which recognizes no national boundaries. The recent agreement within the IAEA framework and which emerged with exemplary speed expresses this common recognition and the need for joint action. International terrorism is also increasingly becoming a universal problem. For our part, we firmly denounce terrorist acts, which nothing can justify, including raising terrorism to the level of state policy, and we are ready to cooperate with anyone struggling to eliminate this harmful phenomenon.

"The year 1986 also has been unsuccessful in bringing a positive change in the world economic trends, trends that are unfavorable for us, too. Under such conditions, it is clear that the creation of an international economic security has become a joint task in the interest of the majority of countries."

Speaking about the regional conflicts that have an unfavorable influence on world peace, the foreign minister stressed that Hungary, too, was interested in finding a comprehensive, lasting, and just solution for the Middle East crisis. "It is our conviction that the best framework for such a solution could be an international conference under UN auspices and with the participation of all interested parties, including the PLO. We support the appeal made by the UN General Assembly to create a committee from the five permanent members of the UN Security Council to prepare the peace conference."

Varkonyi also discussed the fact that the tension prevailing in Central America is causing concern and continued as follows: "We feel solidarity with Nicaragua and support the efforts made by the Contadora Group aimed at solving the conflict through negotiations." [paragraph continues]

Varkonyi said that, in order to eliminate the intolerable situation that has emerged in southern Africa, the Republic of South Africa should end its apartheid regime, withdraw from illegally occupied Namibia, and honor the political and economic independence and territorial integrity of the Front Line countries in southern Africa.

In the second part of his report, the minister said that the scope of Hungarian foreign policy has further widened and its activity has increased in the past year.

"The economic, social, and political development of the last decades and the increased international prestige our country enjoys as a result provide a firm background for this activity. Our goal is to promote the most favorable conditions possible for our work of socialist construction by developing our foreign relations.

"The events of the past year have also confirmed that, regardless of its size, today every state can actively contribute to the cause of peace and security. Guided by this conviction, we are endeavoring -- as we did previously as well -- to take an increasingly active part in the dialogue between nations" -- the minister said, and stressed that looking back at the past period, we can say with justification that our words have credit in the world and our partners follow our positions and steps with attention.

"The main goals of Hungarian domestic policy and its timely tasks also determine the trends of our foreign policy. Therefore, it is natural that in our international work during the past year, the solution of economic problems by means of foreign policy and diplomacy has gained increasing scope.

"The discriminating measures of the EEC apply to more than half of our exports to developed capitalist countries and the development of technical and scientific cooperation is hindered by other types of banning measures. In order to defeat these measures, we and the competent organs of the EEC, as members of GATT, are holding preparatory talks aimed at signing an agreement with the organization which would create considerably better, discrimination-free conditions for the sale of our products on West European markets.

"We regard it as our task to promote by all possible means and through our foreign relations the implementation of the MSZMP Central Committee decisions of 20 November."

Our Cooperation With the Socialist Countries [subhead]

"The fact that Hungary is a member of the Warsaw Pact, and CEMA, is of determining importance for our foreign policy activity.

"We have been actively assisting in coordinating the foreign policies of the Warsaw Pact member-states during the past period as well as in working out common proposals and implementing coordinated initiatives.

"Together with our allies, we are endeavoring to activate the Warsaw Pact's foreign policy activity, to ensure multifaceted information, and to improve the efficiency of coordination. We are satisfied that the session of the Warsaw Pact member-states' political Consultative Committee held in Budapest in June carried out its work in the spirit of the modernization of cooperation. [paragraph continues]

As a result, the experts-level political consultative mechansim has been developed and broadened, the working style of negotiations has been developed on every level, and the various levels of consultation and negotiation have become more regular and fuller in content.

"The socialist countries' switching to the intensive phase of economic development and the economic management reforms carried out in accordance with each country's particularities require the development of mutual relations among the CEMA member-states. All these contribute both to a more efficient assertion of common interests and to the acceleration of the economic development of individual countries. These efforts and intentions were expressed at the working meeting of the heads of the fraternal parties of the CEMA member-countries held in Moscow on 10-11 November and at the 42d session of the CEMA Council held in Bucharest. Concerning the further development of cooperation, an agreement was reached at the Moscow meeting, and its favorable influence will become apparent particularly in long-term cooperation.

"Hungary's interstate relations have developed in a balanced way in the past year, too. There is no change in the principles and main directions of our relations.

"We regard the strengthening of friendly and allied relations with the Soviet Union and the socialist countries, deepening of cooperation among our countries, and the implementation of our common social goals as our most important tasks.

"The meetings between Janos Kadar and Mikhail Gorbachev held in Budapest and Moscow were the outstanding events in the harmoniously developing Hungarian-Soviet relations. These meetings offered good possibilities for thoroughly learning each other's situation and endeavors, for exchanging our experiences, and for determining the tasks related to the further development of our bilateral cooperation. It appears that the program of accelerated development and reorganization of the Soviet economy opens up numerous new possibilities for Hungarian-Soviet cooperation.

"In the course of Janos Kadar's visit to Warsaw, Gustav Husak's visit to Budapest, Gyorgy Lazar's visit to Berlin and Prague, and Polish Premier Messner's visit and talks in Budapest, the concrete possibilities of strengthening the widespread cooperation based on mutual interests stood in the center of the talks. Our relations with the Bulgarian People's Republic have developed fruitfully. We have also endeavored to develop relations and cooperation with the SR of Romania. A common Hungarian-Yugoslav interest in fostering the traditional good-neighborly relations and in making our cooperation more efficient was expressed at our meetings on various levels. We are endeavoring to develop our relations with the People's Socialist Republic of Albania.

"We are directing much attention to the development of cooperation with the socialist countries outside Europe. We are satisfied that our interstate relations with the PRC are in order and our economic, technological and scientific, and cultural cooperation is constantly expanding. We find it important that concerning the fundamental issues of world politics -- primarily the general approach to the problems of disarmament, peace, and security -- our views are identical or close to each other."

We have developed our relations with the developed capitalist countries on the basis of mutual advantage and the common interest in preserving peace.

Today we can really appraise the importance of the fact that, in the first half of the eighties and under more difficult circumstances, too, we continued to maintain the political dialogue with these countries.

Our relations with Austria are covering increasingly wider areas in the spirit of good-neighborliness. The welcome expansion of our cooperation with Finland expresses the mutual sympathy between our peoples, a sympathy based on kinship. Our relations with these two countries are good examples of peaceful and fruitful cooperation between countries with different social orders.

"Regarding the FRG's position in Hungary's foreign relations system, our traditions, and the potentials inherent in our cooperation, we have an outstanding interest in developing our relations with that country.

"It is an important interest of ours to develop the existing cooperation with the developed capitalist countries, to work out new forms of cooperation, and to eliminate the obstacles hindering such a development. These goals were well served by the visits made by the president of the Presidential Council of Finland and the chairman of the Council of Ministers to Austria and Belgium, as well as the talks held with the presidents of the FRG and the Republic of Turkey and the queen of the Netherlands in Budapest, and the talks held with representatives of other European countries, too. We see favorable possibilities for strengthening mutually advantageous cooperation with important partners like the United States, Canada, and Japan.

"In accordance with our political and economic interests, we are turning adequate attention to maintaining and possibly expanding our relations with the African countries and the countries in the Middle and Far East areas. Comrade Pal Losonczi's visits to Nigeria and Syria and the talks held by the president of Zimbabwe and the premier of Iran in Budapest served this goal.

"In the process of democratizing going on in several countries of Latin America, we are experiencing an increasing interest toward the socialist countries, including Hungary, an interest in reviving political and economic relations. We welcome this increased interest and we are ready to widen our cooperation based on mutual advantage. We regard it important to develop our political and economic relations with the dynamically industrializing countries of Southeast Asia, too. We have taken several steps in the past year aimed at activating our relations with the ASEAN member countries."

For Expanding the Helsinki Process [subhead]

The foreign minister then spoke about the fact that the follow-up Conference on European Security and Cooperation in Vienna opens up good possibilities for the further accomplishment of European detente.

"The Hungarian People's Republic is fundamentally interested in the success of the Vienna Conference. Promoting pan-European cooperation has become an outstandingly important and organic part of our foreign policy in the past decade.

"The recommendations of the final document which was adopted in Helsinki are fully asserted in our internal practice. In the spirit of these recommendations, we have proposed to several of our Western partners this year, too, that the cultural and educational cooperation conditions which contribute to the increase of contacts be widened, that the visa procedures which are disadvantageous for Hungarian citizens be simplified, and that mutualism be established.

"At the Vienna talks, our delegation is endeavoring to bring about a balanced implementation of the Helsinki final document recommendations. This demands that attention be turned to issues of the final document which have not been implemented so far. Therefore we wish to stress the issue of economic, technological, and scientific cooperation.

"Naturally, this cannot diminish the importance of the issues of politics and security and humanitarian cooperation, either. In the three main cooperation areas, together with the other socialist countries, we are endeavoring to make sure that the conference does not become a stage of irrational confrontation."

What Do We Expect From the Vienna Conference? [subhead]

"The already mentioned success of the Stockholm conference is also providing a good basis for the discussion of the military aspects of European security. The socialist countries, including Hungary, are attributing primary political importance to the full implementation of the agreement.

"On our part, we regard it as important and we support the need that, following the conclusion of the follow-up conference in Vienna, the second phase of the European confidence-strengthening and disarmament conference begin as soon as possible. For this, in addition to working out further confidence- and security-strengthening measures, negotiations should also begin on the reduction of conventional armed forces and weapons. The Budapest appeal of the Warsaw Pact member-states on working out a disarmament program could be discussed, too.

"At this forum, too, our delegation is taking an active stand in favor of the consistent and full implementation of the principles governing mutual relations among states. We also stress the important role played by the national minorities living in various countries in Europe in creating good-neighborly relations, in strengthening them, and in enriching them. As we have already pointed out at the Ottawa meeting and at the Budapest cultural forum, we are starting from the premises which we are talking about here, about an important issue that is considerably affecting the relations among the European countries. We support our arguments by disseminating our practice and endeavors in Hungary.

"We are strongly interested in making sure that the Vienna conference decides on concrete measures on the relatively neglected issue of pan-European economic, trade, scientific-technological, and environmental protection cooperation. These measures could counterbalance the consequences of the discriminative and protectionist trade policy that has a negative effect on Hungary, too, and they could also uncover new possibilities and forms of cooperation."

The Good Experiences of the Cultural Forum [subhead]

The foreign minister then reviewed the cultural forum held in Budapest and said the following: "We are satisfied that the countries participating in the Vienna conference have repeatedly expressed high appreciatin for the common efforts of the representatives of the 35 countries in promoting the cause of European cultural cooperation and have noted with appreciation our role as hosts. At the bilateral talks we have been holding with many countries ever since the forum was held, we have been encouraged to begin new consultations at the Vienna conference, to take initiatives for the implementation of the proposals submitted at the Budapest cultural forum which we regard as having the best chance to be adopted, and to bring about adequate decisions at the Vienna conference.

"Along with all these, of course, we wish to support every concept that is aimed at genuinely developing humanitarian cooperation. We regard Foreign Minister Shevardnadze's statement as a particularly important one, a statement according to which the Soviet Union is ready to organize a European forum in Moscow -- if approached by the Vienna conference -- to discuss openly the issues of humanitarian cooperation."

The minister then dealt briefly with our relations with Hungarians living in many countries of the world and far from their homeland. "We are endeavoring" -- he said -- "to make sure that they preserve their awareness as Hungarians, their culture, that they foster their contacts with the old homeland and are, at the same time, good citizens of their new countries. In the period that has passed, our relations with the Hungarian nationals living abroad have further expanded and, beyond the ties of kinship and friendship, here has been an increase in the interest toward the international and domestic scientific and cultural conferences held in Hungary with the participation of an increasing number of experts. We regard the efforts made by the Hungarian associations and schools operating abroad, which are aimed at fostering and disseminating the Hungarian language and culture abroad, as worthy of our esteem. We will continue to endeavor to make sure that these contacts contribute to the deepening of understanding and friendship between the peoples of various countries and the Hungarian people."

In conclusion, the minister stressed that, in the coming new year, too, based on our results so far and according to our well-tested foreign policy principles and practice, we wish to continue our international activity. He then asked the National Assembly to discuss the report and adopt it.

LEADERS GREET CASTRO ON CUBAN NATIONAL DAY

LD302028 Budapest MTI in English 1730 GMT 30 Dec 86

[Text] Budapest, December 30 (MTI) -- Hungarian leaders have greeted in a telegram Fidel Castro, first secretary of the Central Committee of the Communist Party of Cuba and president of the Council of State and Council of Ministers of the Republic of Cuba, on the occasion of the national day of that country on January 1.

Janos Kadar, Pal Losonczi and Gyorgy Lazar, conveying the best wishes of the HSWP Central Committee and the Presidential Council and the Council of Ministers of the Hungarian People's Republic, emphasized in their telegram 'Our people sees the results achieved by the Cuban people under the guidance of its party with sincere esteem. We highly appreciate the foreign policy of Cuba that provides efficient assistance to the progressive forces of the world in their just struggle for national independence, social progress and the strengthening of international peace and security. We are convinced that our friendship and comprehenisve cooperation based upon common aims and the principles of internationalism will strengthen in all walks of life.'

On the anniversary Istvan Sarlos, speaker of parliament, has greeted in a telegram Flavio Bravo Pardo, president of the National Assembly of the Republic of Cuba. The National Council of the Patriotic People's Front, the Central Committee of the Hungarian Communist Youth Union, the Hungarian Peace Council and the National Council of Hungarian Women have also sent telegrams of greetings to their Cuban partner organizations.

DISSIDENT MOCZULSKI IN LONDON FOR TREATMENT

AU310831 Paris AFP in English 0255 GMT 31 Dec 86

[Text] London, Dec 31 (AFP) -- Leszek Moczulski, president of the Confederation for an Independent Poland (KPN), arrived here Tuesday night from Warsaw for medical treatment.

He was released from prison last September when the communist regime amnestied political prisoners.

Mr. Moczulski said at Heathrow Airport: "When I return to Poland I will continue to criticize the regime there as vigorously as before."

Mr. Moczulski, 53, said he suffered three heart attacks last summer and was therefore allowed to come here to have a heart pacemaker fitted.

He said he expects to go to France and the United States after medical treatment in Britain.

JARUZELSKI VISITS URSUS PLANT, EXTENDS GREETINGS

LD302114 Warsaw Television Service in Polish 1830 GMT 30 Dec 86

[Text] [Announcer] Today, on the penultimate day of 1986, members of the Party leadership, the Politburo and the Secretariat of the PZPR Central Committee met the workforces of many enterprises. The workforce of the Ursus engineering works was visited by Wojciech Jaruzelski and Zbigniew Messner. Conversations dealt with the reform, the effects of the brigade system of work, as well as problems connected with the completion of the Ursus-2, the biggest investment project of the Polish engineering industry.

[Begin recording] [Jaruzelski] [Words indistinct] the sanctions made things difficult for you and caused disruptions.

[Man] Several years of backlog, one must speak of several years of delays, interruptions. [passage indistinct] We felt it here, comrade secretary, most acutely. Sanctions did not just mean that we were unable to obtain something, they also meant that suddenly the arrivals of experts who were to commission the machinery here were stopped, and so on and so on.

[Man] Many of us come here from the old factory...

[Jaruzelski, interrupting] The young people are adapting well, aren't they?

[Man] Yes, of course. There are a lot of young people here, nearly 80 percent. The young people come here straight from school and technical colleges. They do not come here straight from primary school -- we have expert workers here. We commissioned this factory when there was practically no intake of experts from the West, when everyone was standing aside, watching us, to see us fall over.

These young people, brought up in Polish schools, were capable enough to commission this factory. We think it is marvelous.

[Jaruzelski] Do you work in a brigade system, or does everyone work for himself?

[Man] We complement each other. It is, in a way, a brigade.

[Jaruzelski] But the wages are not shared, like in a brigade system?

[Man] The bonus system is worked out in line with the personal commitment of the employees. We have the basis for paying bonuses; there is a basic amount and in accordance with this our manager decides what share is available to each one. This is agreed with our chief, the brigade leader, and the activists.

[Jaruzelski] How do you see the welfare conditions and social facilities [words indistinct]?

[Man] I think that conditions are very good -- good holiday centers, like Muszyna, (Gwizyna), Kolobrzeg; also welfare facilities are good -- cafeteria, medical facilities. Entertainment also is available: The good house of culture...

[Jaruzelski, interrupting] How often do you go to your house of culture?

[Man] One uses its facilities whenever one has the time.

[Jaruzelski] At the third plenum I said that party secretaries must know the party activists and all innovators and inventors equally well. Who do you believe are the leading people in this respect in this enterprise; who has notched up the greatest achievements?

[Man] Personally, the one with greatest achievements is (Zamoidal), from the forging plant. That's in a different plant. I must confess that I do not know them all very well.

[Jaruzelski] Please treat this as a party duty. There must be a list of names of such people, and your factory committee must look after such people. This is the engine of progress.

[Jaruzelski] How do you ladies view the supplies for Christmas, and the availability of goods in general?

[Woman] Passable. Well, it is not too good.

[Jaruzelski] But was it better this year than last year, or was it worse?

[Woman] Probably better.

[Jaruzelski] Good day, what do you think of the cafeteria?

[Man] It's all right.

[Jaruzelski] How many courses does lunch have here?

[Man] Two courses, plus the compote.

[Jaruzelski] It is all looking quite tasty, a lot of protein. How much does a dinner cost?

[Man] Fifty zlotys.

[Another man] There is one more cafeteria on the estate, a nice and modern one. It is used mainly by those living in hostels.

[Jaruzelski] Good day, we have come to give you our New Year's wishes. Best wishes to the workers of Ursus. Best wishes, have a nice New Year's Eve.

[Woman] Mr General, where will you be having fun on your New Year's Eve?

[Jaruzelski] By the television set. I am finished with this stage. [as heard] What about you? You, such a charming person, no doubt will take part in a really jolly party. Can you tell me where?

[Woman] Yes, I am going to Warsaw.

[Jaruzelski] With your fiancee? [laughter] I wish you lots of fun.

[Woman] And to you too. [end recording]

PZPR CC PASSES RESOLUTION ON ECONOMY

LD200527 Warsaw PAP in English 2045 GMT 19 Dec 86

[Text] Warsaw, Dec 19 -- Following is the abridged text of the "Resolution on Tasks in Accelerating Qualitative Changes in the Economy in the Light of the PUWP Tenth Congress Resolution", passed by the 3rd plenary meeting of the PUWP CC.

The CC acknowledges that to accelerate qualitative changes in economic management, in compliance with the resolution of the tenth congress, requires of the party and society to concentrate efforts on the following chief mainsprings of intensification of development:

-- Passing into the second stage of the reform.

-- Restructuring the national economy,

-- Acceleration of scientific, technological and organizational progress,

-- Full utilization of the potentials of labour, energy, raw materials and capital assets,

-- More export-oriented economy,

-- All-embracing review of organizational structures in the economy and state.

The Central Committee acknowledges the directions and aims contained in the national socio-economic plan for 1986-90 take account of the tenth congress' instructions, are realistic, and meet the intention of speeding up development. This is not to imply, however that the implementation of the plan will meet all social expectations.

The CC determines acceleration of qualitative changes as the key to implementation of the socio-economic objective laid down for the present five-year economic period.

At present, the main task is to faster carry into effect the economic reform -- to implement its second stage.

As a consequence of the full implementation of the rule of self-financing and economic constraint on companies, deep changes in their working and activation of internal reserves must take place.

The CC orders that a wide information and consultation campaign be launched to propagate in social consciousness the aims, essence, rules and social effects of the second stage of the reform, and to obtain society's opinion on the rate and ways of restoring economic balance.

The consistent restructuring of the economy is both the government's and enterprises' task.

It is the government's job to enforce economic constraint for updating producion by means of systemic and organizational instruments. The first months of the year 1987 should bring the completion of the work on legal foundations for the operation of innovation-producing units. At the same time, it is necessary to provide conditions for their early starting of work.

Likewise, it is necessary to speed up the creation of conditions for the establishment of more research and production centres.

Under the decisions of the 10th congress, the year 1987 should bring a comprehensive, in-depth review of technologies and products as well as development programmes, in the first place from the angle of their actual technological advancement.

The CC deems it necessary to take radical steps towards better product and service quality.

It is necessary to make major progress in rationalizing the use of materials, fuels and energy.

The party addresses the Patriotic Movement for National Rebirth (PRON), trade unions, socio-professional organizations, self-government bodies and youth organizations, as well as the entire society, to actively join the mass movement for austerity and to give broad support to the struggle against lavishness and wastefulness.

The CC recommends to the government to introduce a set of systemic measures to enforce better use and improved operation of production assets.

The CC emphasises the duty of all the economic links and the entire management structure to enforce an export orientation with the economy, as one of the decisive conditions of the qualitative changes and solving the major problems of Poland's development.

Hitherto accomplishments of economic, scientific and technological cooperation with the USSR and other socialist countries should be developed and enriched.

It is advisable to develop economic, scientific and technological cooperation along with other countries, along the principles of mutual benefit.

Good work should be rewarded and bad eliminated.

The managements of companies are expected to take firm steps to improve the discipline of work, and at the same time encourage active cooperation and firm position of the self-management bodies.

Qualitative changes in the economy should be enhanced by an active policy on personnel. The criteria of selection and evaluation of managerial personnel, established as part of the personnel policy, must be observed in rigorous determination.

The basic task of all the party authorities and organizations is to start an offensive against simulated activity, red tape, and the attitudes of incapability and passivity.

At the same time, positive experiences should be efficiently propagated, with special attention to assuring adequate career, material and moral gratification to those who make themselves distinguished or are leading (workers). To line up with the best ones is seen by the CC not as a matter of personal choice but an entirely quantifiable obligation.

The CC addresses all the citizens for broadest possible participation in the work on improving the Polish economy and speeding up its qualitative transformation.

MESSNER MEETS WITH PLANNING COMMISSION AKTIV

LD302038 Warsaw PAP in English 1823 GMT 30 Dec 86

[Text] Warsaw, Dec 30 -- Premier Zbigniew Messner met today with the professional and political aktiv of the Government Planning Commission.

Participants in the meeting assessed the work of the commission and pointed to the necessity to analyze in detail experiences gained during consultations of the national socio-economic plan for the years 1986-90 in order to use them in works and annual and long-term plans.

They determined that next year the commission should above all see to a consistent implementation of the second stage of the economic reform, and to work out a draft long-term plan till the year 2000.

It was pointed out that success in achieving such goals of the reform's second stage as balancing the national economy, making economic parameters, especially prices, more real, and reducing inflation, was a necessary condition for the acceleration of the process of improving economic performance, and thus for a succesful realization of the five-year plan.

FOREIGN MINISTER SPEAKS AT BRUSSELS DINNER

AU301225 Warsaw TRYBUNA LUDU in Polish 18 Dec 86 p 10

[Speech by Marian Orzechowski, PPR minister of foreign affairs and PZPR Politburo member, at a dinner given in his honor by Leo Tindemanns, Belgian minister of foreign affairs, in Brussels on 17 December]

[Text] We are conscious of the importance of this visit. It marks the resumption of regular political dialogue between our countries at the governmental level and lends practical expression to the search for possible ways to further develop bilateral relations in all fields. We also hope that it will contribute to an improvement in the international climate, to the enhancement of mutual trust, and to the development of cooperation in Europe.

The principal goal of Polish foreign policy has been and continues to be activity aimed at removing the threat of nuclear war, at reducing the level of military confrontation, and at the peaceful and amicable coexistence of all peoples.

The way in which the international situation evolved from the beginning of the eighties was not conducive to this and gave rise to anxiety. Today, the situtation remains complicated, but there are signs that provide grounds for hope. Confrontational trends, engendered by a desire to alter the strategic balance persist. The strategic balance of forces and a policy directed at an escalation of arms in space and on earth has become the source of grave tensions and has complicated East-West relations even further.

At the same time, we cannot fail to see the dangers to security and cooperation on our continent. Aside from a large concentration of weapons, these dangers include continually renewed attempts to undermine the peaceful order based on the decisions of the Yalta and Potsam conferences and on postwar developments.

The only alternative to these dangers is a return to detente and constructive cooperation. We believe that efforts by all states, both medium-sized and small, should be directed toward this goal regardless of the special responsiblity borne by great powers, and this is attested to by the failure to thus far use the opportunity created by Reykjavik. We attach great importance to proposals concerning the establishment of nuclear-free zones -- we were precursors in this field -- zones free from chemcial weapons, the elimination of missiles and the reduction of conventional forces with the simultaneous guarantee of effective international control. The constructive proposals put forward by states belonging to the socialist community are constantly waiting for a reply.

We also place great hopes in the meeting that is currently taking place in Vienna. We are counting on it to strengthen and invigorate the CSCE process and to contribute to an improvement in east-West relations. Poland is endeavoring to play its traditional, active role.

Polish-Belgian relations have rich and commendable traditions extending over many centuries. Our trade relations go back to the Middle Ages. Our cultural and scholarly contacts have always been close and friendly. The cities of Belgium occupy an important place in the lives of many outstanding Poles. I will only mention the names of the two most famous of them: Jan Dantyszek, who was in Brussels as the king's diplomatic representative, and Joachim Lelewel, the great Polish historian, the 200th anniversary of whose birth was celebrated this year through the efforts of scholars in both countries. And we are particularly conscious of the traditions of our common struggle against German fascism during the years of World War II.

Traditions of friendship assist mutual understanding, are conducive to better cooperation, and create an atmosphere that is favorable to the further development of contacts. Belgium was and remains an important and valuable partner for Poland.

We note with satisfaction that progress is being made in economic cooperation. The meeting of the joint commission scheduled for next month and next year's meeting of foreign trade ministers create prospects for the further development of trade.

We are striving to further expand cultural and economic cooperation and to invigorate contacts between representatives of political and social life in both countries.

Poland and Belgium are among those countries which, for a number of reasons, can be particularly aware of the dangers that exist.

Regardless of the difference that may separate Poland and Belgium on other matters, an exchange of views between the two countries and the search for solutions to problems that are the subject of common concern are of great importance. This is completely possible and lies in the best interests of both countries.

CEAUSESCU DELIVERS 1987 NEW YEAR'S MESSAGE

AU301346 Bucharest AGERPRES in English 1137 GMT 30 Dec 86

["New Year Message by Comrade Nicolae Ceausescu to the Whole Romanian Nation, Over the Radio and Television Stations" -- AGERPRES headline]

[Text] Bucharest, AGERPRES,30/12/1986 -- Dear comrades and friends, citizens of the Socialist Republic of Romania,

I am greatly pleased to address all working people, our whole nation warmest congratulations and best wishes on the New Year, on behalf of the party's Central Committee, of the State Council and government, as well as on my own behalf.

We conclude the year 1986 with the satisfaction of new achievements on the road to the homeland's socio-economic development, to the building of the multilaterally developed socialist society and of communism on the Romanian land. In difficult international economic conditions, we have managed, through the joint work of the whole people, to achieve an over seven per cent increase of industrial production over the last year, to make important progress in increasing labour productivity and raising the performance and quality of products, the economic efficiency and national income. In agriculture, we have achieved the largest cereal harvest in the country's history -- more than 28 million tones. Education, science, culture, the entire economic and social life of the country have kept developing.

All these achievements powerfully emphasize the correctness of the general policy of our party that creatively applies the objective truths and laws to realities and specific conditions in Romania to creditably fulfill its historic mission of leading the Romanian nation on the path to socialism and communism, to independence, welfare and happiness.

Looking back to the activity unfolded this year, we can assess that 1986 -- the first year of the 8th five-year plan -- was a year in which our people, purposeful builder of socialism, demonstrated once more, through facts, its will and capability to surmount any difficulty and to ensure our society's steady march on the road to its material and spiritual development, to socialist civilization.

On all these achievements I wholehartedly address our heroic working class, farmers, intellectuals, all working people, all our people, warmest congratulations and wishes of fresh and ever bigger successes in the future activity devoted to the socialist homeland's progress and thriving.

Dear comrades and friends,

We begin the second year of the current five-year plan with a comprehensive, thoroughly substantiated program of revolutionary work and action. The fulfillment in the best of conditions of the important targets comprised in the 1987 plan and programs, firm organizational measures are needed for the intensive development of the whole economy, the powerful accentuation of the qualitative facets of the ecnomic activity, the promotion to production of the latest gains of the revolution in technology and science, the increase of labour productivity and efficiency in all compartments. Resolute measures are necessary for consolidating order and discipline, for enhancing the responsibility and revolutionary spirit with a view to fulfilling the programs of improving labour organization and updating production, of raising the products' performance and quality, of applying the new economic mechanism, the economic and financial normatives, worker self-management and self-administration.

We have to further improve and use more largely the democratic framework that ensures the direct participation in the organization and management of production, of the whole socio-economic life, of all working people, in their capacity as owners, producers and direct end-users of everything that is achieved in our society. A major preoccupation must be the achievement in the best of conditions of the export production, the development of the foreign trade and international economic cooperation activity, of the collaboration within the CMEA based on the Complex Program of Technological and Scientific Progress by 2000, Romania's increased participation in the world exchange of assets.

We have everything needed for the fulfillment in good conditions of all objectives and provisions in the 1987 plan of socio-economic development of the country. Let us take every step in order to ensure, from the very first days, the exemplary fulfillment of all these provisions. Let us most resolutely commit ourselves to the struggle for improving the quality and efficiency of the entire activity in industry, agriculture, in economy as a whole. Let us broaden the new revolution in science and technology, the new agrarian revolution, the new revolution of development of our socialist society. Let us work so that our achievements in all domains of economy and social life in 1987 may mark an important stage on the path to the fulfillment of the objectives set by the 13th congress of the party regarding Romania's passage to a higher development stage -- the stage of a medium-developed socialist country -- the achievement of a new quality of work and life of all our people.

Dear comrades and friends,

The international situation has continued grave and complex in 1986. The arms race, nuclear included, went on, a number of conflicts and hotbeds of tension persisted and even gained scope in various regions of the world, shows of force and interference in other states' home affairs were resorted to time and again. Other nuclear missiles and mass destruction weapons were located in Europe and other parts of the world in utter disregard of people's interests of peace and security. Nuclear tests and actions to extend the arms race to outer space continued. The menacing clouds of a devastating nuclear war keep hanging above our planet.

As the life and civilization of the whole mankind are in serious danger, progressive forces everywhere, all peoples, the world public opinion have struggled bravely to halt the dangerous course of events toward confrontation and war, to entrench a policy of peace, collaboration and observance of people's and nations' foremost rights to life, peace, and a free and dignified existence.

Events have proved again in 1986 that the cardinal issues of our time are the cessation of the arms race, a passage to disarmament, nuclear first of all, the defence of peace and people's life. More than ever before, peoples should rally their efforts across the world, collaborate more closely to induce a real settlement of disarmament and nuclear disarmament issues.

Romania welcomed and supports the Soviet Union's proposals on a phased-out liquidation, until 2000, of all nuclear arms and holds that efforts should be further deployed to reach appropriate agreements as soon as possible, based on the Iceland Soviet-American summit's conclusions, to pave the way for the removal of nuclear arms and substantial cuts in conventional weapons.

Everything possible must be done in 1987 for a resolute passage from statements to specific disarmament actions. Romania believes that 1987 is likely to see an accord on intermediate mediate-range missiles in Europe. Moreover, we think that activities should be stepped up to end nuclear tests - as a first step along the path to disarmament and elimination of the nuclear peril.

On November 23, our people unanimously voted in a nationwide referendum to show its resolve to struggle for disarmament and peace. Romania is the first country in the two military blocs to have actually cut arms, troops and military spending by five per cent. We are satisfied to see that this initiative of the Romanian people has been widely acclaimed abroad - and we do believe that other states as well might take this as an example for real disarmament measures.

There are many other complicated and difficult issues in the international life, which must be solved with the active participation of all states, whatever their size or social sytem. Everything must be done to exclude the threat and use of force from international relations and to solve all interstate disputes by peaceful and negotiated means alone. Hence, efforts and actions for the eradication of underdevelopment and the establishment of a new world economic order should gain momentum.

The role of the United Nations Organization, and of other international organisms, should grow in the democratic settlement of the major issues confronting the contemporary world in the spirit of peace and collaboration.

As for Romania, it is resolved to continually strengthen its collaboration with all socialist countries, with the developing and non-aligned countries, and with the developed capitalist states, in keeping with the principles of peaceful coexistence. Our links with the other states are based firmly - just as always - on the principles of full equality of rights, observance of national independence and sovereignty, noninterference in home affairs and mutual advantage. In the spirit, and on the basis of these principles, we shall broadly cooperate with all the peoples and countries of the world, with peace-loving forces everywhere, for the firm assertion of the policy of disarmament, international collaboration and security, for a world free of arms and wars, a world of peace and understanding among all the nations of the planet.

Dear comrades and friends,

Citizens of the Socialist Republic of Romania,

May 1987 be for our people a year of new and greater accomplishments, of big successes in the implementation of the 13th Congress resolutions, of the grand objectives of building socialism and communism on Romanian soil.

May all world peoples' legitimate aspirations to live and work in peace and security, in a climate of international understanding and broad cooperation, come true in 1987.

On a New Year's eve I wish you, dear fellow countrymen, from the bottom of my heart, successes and greater achievements on the road to progress and prosperity of our free, independent and sovereign socialist homeland. I wish you all the best, good health and happiness.

A happy New Year.

PRESIDENCY'S NEW YEAR MESSAGE TO NATION

LD292042 Belgrade TANJUG Domestic Service in Serbo-Croatian 1637 GMT 29 Dec 86

["SFRY Presidency New Year's Message" -- TANJUG headline]

[Text] Belgrade, 29 Dec (TANJUG) -- The year 1986 was yet another one of great efforts by the working class, the working people and citizens of our country designed to help to resolve the most important problems of our social development and, above all, to surmount the unfavorable economic trends and to eliminate the economic difficulties that have been hampering our progress over recent years. Thanks to these efforts, positive results have been achieved in the growth of social product, industrial and agricultural production, rising employment and real income, tourism, and other spheres.

By their mass turnout at the delegate elections, our country's citizens reiterated their commitment and readiness to develop our society on socialist self-management foundations.

The 13th LCY Congress enhanced the unity of Yugoslav Communists and provided a fresh and powerful stimulus to the struggle for the continued socialist development of our society, for the consolidation of our federal socialist community and for enhancing the brotherhood and unity and fundamental rights and freedoms of our citizens.

Last year was also characterized by the important international activity of Yugoslavia as an independent and nonaligned country. Our consistent struggle for peace and disarmament, for security, equality, and more just economic and political relations among the states and peoples of the world has reaffirmed our country's reputation and enhanced its international position.

The attained results inspire optimism and confidence in our ability to advance in 1987 with even more determination toward new successes. In the coming year our attention must continue to be concentrated on the efforts to fulfill the goals of the country's socioeconomic development. To this end, greater mobility and involvement on the part of our working people and citizens, work collectives, sociopolitical organizations and state organs will be needed. To realize the objectives of the economic stabilization we shall have to work more, produce more, export more, and save more.

In the coming year we shall be faced with a responsible task of further developing our political system. Taking the fundamental constitutional principle as a point of departure, we must make fresh moves toward improving the functioning of the political system, eliminating its shortcomings and creating conditions in which the pressing social problems will be tackled more efficiently.

We shall be entering 1987 aware of the great tasks facing us whose fulfillment calls for a complete involvement by all socialist forces in society. Firmly adhering to Tito's path, united, responsible, and determined, we shall win this great battle as well.

With best wishes for New Year festivities and for a happy and successful 1987 to all citizens of the SFRY.

The Presidency of the Socialist
Federal Republic of Yugoslavia

SLOVENIAN OFFICIAL, CLERIC CHRISTMAS MESSAGES

Smole Delivers Message

LD241748 Belgrade TANJUG in English 0115 GMT 24 Dec 86

[Text] Ljubljana, Dec 23 (TANJUG) -- Jofe Smole, president of the Socialist Alliance of the Yugoslav Republic of Slovenia, in tonight's TV news programme, wished the people in this republic merry christmas and a happy new year. This was the first time in Yugoslav practice that a high-placed official publicly addressed the believers on the occasion of a religious holdiday.

"The new year season is approaching. Preceding it, at Christmas, a large section of mankind observes peace, welfare, and family happiness -- the three great values around which a rich culture and an array of old customs had evolved. To all the citizens who are intimately bound to this tradition, I wish they may spend the holidays in gratification and happiness," said Smole.

On behalf of the Republican Conference of the Socialist Alliance, Smole wished all people in Slovenia the happy, healthful, peaceful, pleasant and in every respect a prosperous new year 1987.

Smole has recently told the Belgrade BORBA newspaper that he sees "no serious reason" why Archbishop of the Catholic Church in Slovenia Alojzij Suster -- who, as a citizen, is attached to the Yugoslav Self-Management Socialist Society -- could not also address the public on the Ljubljana TV-radio not only on the occasion of Christmas but also on other holidays.

Such a possibility, he added, naturally cannot be had by individuals who -- irrespective of their status -- negate the social order of Yugoslavia. He said that the fundamental message of Christmas is "peace on earth to all people," and it is peace that the Socialist Alliance and Yugoslav society as a whole are endeavouring for.

In his interview to BORBA, Smole has also commented on a proposal by the Bishopric Conference of Slovenia to have the Catholic Christmas proclaimed a national holiday. Smole said this was unacceptable. He added that some firms in Slovenia give their religious workers days-off for Christmas, obliging the workers to work them off at a later time.

In Yugoslavia, the church is separated from the state, and religion is the private matter of an individual. The Socialist Alliance, being the largest socio-political organization, rallies all people given to socialism, and brotherhood and unity, irrespective of their religious creed. The three major religions in Yugoslavia are the Catholic, Eastern Orthodox, and Muslim.

Reaction to Smole Greetings

LD292053 Belgrade TANJUG in English 1900 GMT 29 Dec 86

["First Christmas Felicitations -- Different Reactions in Yugoslavia" -- TANJUG headline; by Srboljub Manojlovic; "pool" item]

[Text] Belgrade, December 29 (TANJUG) -- The Christmas felicitations addressed officially to believers over TV and radio in the Republic of Slovenia for the first time this year, met with different reations in Yugoslavia.

While some saw the "Slovene precedent" as an expression and sign of further democratization in Yugoslavia society, whose ideology has been based on Marxism and atheism for more than forty years, others warned that official Christmas messages of good wishes may be the first step in deviating from the principle of religious feelings as an exclusively personal affair and right of believers as individuals.

The Catholic Christmas is over, the Orthodox (January 7) about to come, and many people now ask will the Serbian Orthodox Patriarch German and the Macedonian Orthodox Metropolitan Gavrilo to have the opportunity to address believers as the Roman Catholic archbishop of Ljubljana, Dr Alojzij Sustar, did in Slovenia a few days ago. Will President of the Socialist Alliance of Serbia Dr Bogdan Trifunovic express his best wishes for Christmas to Orthodox believers, as his counterpart in Slovenia, Joze Smole, did on the Catholic Christmas Eve?

"I commend the fine gesture of Comrade Smole, and thereby the truly flexible policy towards religious communities in Slovenia. There can be no genuine democracy in a society with taboo themes, and religious holidays, including Christmas -- which is not only a religious holiday but also an occasion for family rejoicing -- you must admit were until recently passed over in silence," Secretary of the Association of Orthodox Clergy of Yugoslavia Svetislav Mitrovic said in an interview to BORBA. He added that the latest move in Ljubljana was a "crucial moment" in greater mutual opening in relations between the church and society in Yugoslavia.

BORBA, the official organ of the country's largest socio-political organization, the Socialist Alliance of the Working People of Yugoslavia, lost no time and conducted an opinion poll on how the Christmas felicitations in Slovenia were received by official structures and among the public.

"Christmas is firmly anchored in our past and present as a religious holiday, but even more firmly as a holiday of the family and peace," stated Mitja Ribicic, who was Yugoslav prime minister in the seventies and who withdrew from active political life this year due to his advanced age and generation change in the leadership.

Peace on earth to all people is the main message of Christmas holidays, and peace is what the Socialist Alliance and whole Yugoslav society stand for, said Joze Smole summarizing the Slovenian leadership's attitude to the greatest Christian holiday.

The leadership in the Republic of Croatia -- where, like in Slovenia, the majority of believers are Roman Catholics -- does not consider at present following the slovenian example. The assistant chairman of the Republican Commission for Religious Questions has stated that religious holidays are the "purely private matter of any believer". He was categorically against declaring Christmas a public holiday because, we have many holidays in a year, formal and informal, even without it." [quotation mark as received]

According to BORBA's poll, felicitations for Christmas and other holidays are not being considered in Vojvodina and Kosovo, the two autonomous provinces within the Republic of Servia. In Yugoslavia, a multinational and federative community situated at the East-West crossroads, a variety of religions is part of its historical heritage. For the past forty years, the church has been separated from the state and the school from the church.

From elementary school to university, young people in Yugoslavia are educated in the spirit of Marxist, materialist outlook on the world, but the country's Constitution and laws guarantee all citizens the full freedom of religion and religious services, considering them to be a private affair of the individual.

The main three religions in Yugoslavia are Orthodoxy, Roman Catholicism and Islam, but there are no official statistics on the number of believers. The fact that very few young and middle-aged people go to churches or mosques and that many more people celebrate New Year than Christmas and Easter, bayram and Ramadan, points to the conclusion that the number of believers in Yugoslavia is declining.

Nevertheless, if there was a sectarian attitude to believers at some times and in some places, efforts have been exerted for some time now to bring together all people -- party and non-party members, non-believers and believers -- within the Socialist Alliance, the only condition being that they are willing to contribute to the socialist, self-management development of the country and the consolidation of its independence, brotherhood and unity. As a rule, there are priests in Socialist Alliance leaderships in all republics.

Yugoslavs are particularly sensitive as concerns the brotherhood and unity of nations and nationalities, because they were forged under Tito's leadership during the liberation war and revolution (1941-1945), at the time when the Nazi invaders aided by domestic quislings were instigating a fratricidal war in Yugosalvia, banking on national and religious divisions within its boundaries.

Viewed in this light, it was, objectively, much easier for the leadership of Slovenia as the most homogeneous Yugoslav republic in national and religious terms, to "break the ice" and wish believers a merry Christmas. In other republics, however, where there are usually different nations and religions, this would be much more complicated. There, felicitations would have to be addressed on the occasion of Catholic and Orthodox Christmas, Ramadan and who knows how many other religious holidays. Hence, this question is of a practical rather than political nature.

Archbishop's Address

LD242144 Belgrade TANJUG in English 1918 GMT 24 Dec 86

[Text] Ljubljana, December 24 (TANJUG) -- On the occasion of Christmas, the Roman Catholic archbishop of Ljubljana, in Yugoslavia's Republic of Slovenia, Dr Alojzij Sustar, addressed today over Ljubljana radio "all Slovene believers, those who think differently and all others who live in this republic."

Archbishop Sustar said that the "Christmas is for all a holiday of new hope and new vital force in friendship and love." He addressed his best wishes for the Christmas holidays to all Christians, not only the Roman Catholics.

This is the first time in Yugoslav practice that the head of a religious community has addressed believers over the media on the occasion of a religious holiday. Joze Smole, the president of the republic's largest socio-political organization, the Socialist Alliance of Slovenia, appeared on last night's TV news programme to address Christmas and New Year greetings to the population of Slovenia.

Smole pointed out that the message of Christmas, "peace for all people on the earth," is what both the Socialist Alliance, and the entire Yugoslav society stand for.

That, too, was the first public address to the believers by a senior Yugoslav political functionary. In Yugoslavia the church is separated from the state and religion is an individual's private affair. The Socialist Alliance rallies all those who are committed to socialism, brotherhood and unity irrespective of their religious beliefs. The main three religions in Yugoslavia are the Roman Catholic, the Orthodox and the Moslem.

MIKULIC MEETS REPUBLICAN, PROVINCIAL OFFICIALS

LD241304 Belgrade TANJUG Domestic Service in Serbo-Croatian 1003 GMT 24 Dec 86

[Excerpts] Belgade, 24 Dec (TANJUG) -- Branko Mikulic, president of the Federal Executive Council, held a working meeting last night with the presidents of the republican and provincial executive councils to discuss some issues regarding current proceedings for adopting the resolution on policy regarding next year's socioeconomic development and a number of laws designed to carry through the proposed changes in the economic system. Consultations to harmonize the republican and provincial stance on the issue have reached their final stage in the SFRY Assembly. [passage omitted]

The presidents of the executive councils also considered the energy situation in the country. The Federal Secretariat for Information reported that the meeting stressed the need for electricity boards to quickly formulate electricity saving programs. While doing so, it must be ensured that electricity supply reduction measures do not jeopardize normal production processes. At the beginning of next month, the Federal Committee for Energy and Industry will produce a production plan for all forms of energy for the first 3 months of 1987, and suggest which saving measures should be introduced. Electricity consumption in the first quarter of 1987 is envisaged to be by a maximum of 5 percent above consumption in the first 3 months of this year.

STIPE SUVAR SPEAKS AT LC POLITICAL AKTIV

LD240331 Belgrade TANJUG Domestic Service in Serbo-Croatian 2040 GMT 23 Dec 86

[Text] Belgrade, 23 Dec (TANJUG) -- Bourgeois right and other antisocialist forces will not be successful in our society as long as not only LCY members, but also a huge majority of SFRY citizens who accept the self-managing socialist system in spite of the present shortcomings fight against their activity.

This is the result of a meeting held this evening in Belgrade of the presidents of permanent action conferences and secretaries of the LC organizations in the federation organs and organizations with Stipe Suvar, member of the LCY Central Committee Presidium.

In addition to many questions on the basic characteristics of the ideopolitical situation in society, the LCY, and the onslaught of the bourgeois right and other antisocialist forces, Stipe Suvar also commented on other current problems -- the economic situation (he spoke about foreign debts and failed investments), and the situation in Kosovo.

NATIONAL BANK OF YUGOSLAVIA GOVERNOR INTERVIEWED

LD282034 Belgrade TANJUG Domestic Service in Serbo-Croatian 0956 GMT 28 Dec 86

[Excerpts] Belgrade, 28 Dec (TANJUG) -- In the first quarter of next year, in accordance with the decision on the credit and monetary policy, the money supply is envisaged to increase by 4.5 percent and dinar credits of the banks by 5.5 percent. The discussion showed a certain degree of fear that within the framework of such an increase of monetary aggregates it will not be possible for the credit and monetary policy to have a satisfactory influence on the implementation of the fundamental goals, primarily in the economic policy and from the viewpoint of the increased economic growth and in a considerable acceleration of the exports. However, before the end of the first quarter, an analysis will be carried out of economic trends and market-monetary transactions, the price movements, and the nominal social product. In keeping with this, quantitative tasks will be established for the following and the remaining quarters, Dusan Vlatikovic, governor of the National Bank of Yugoslavia, said in an interview with TANJUG editor Milos Petkovic. [passage omitted]

Speaking about the interest rates policy for next year, the governor of the National Bank of Yugoslavia pointed out that the proclaimed principles will not be abandoned. More precisely, it will be continued with the policy of the implementation of the policy of realistic interest rates. The point of departure will be the coordination of the discount rates of the National Bank of Yugoslavia with the movements of the current inflation, which is measured by the movement of the prices of industrial products realized in the previous 6 months. On this basis, we would calculate the annual rate of price growth. The discount rate of the National Bank of Yugoslavia is obtained by adding 1 percent. [as received] In the first quarter, the discount rate will be 61 percent. Interest rates on deposits which "age" during a period of 12 months must not be lower than the discount rate. Interest rates on selective credits of the National Bank of Yugoslavia will be established by differentiation. Interest rates of the banks on credits within the credit potential will not be restricted. Nominal interest rates on bank deposits will be more precisely established by self-managing accords.

The policy of the dinar's exchange rate has always been a burning issue. Assessing expectations in this area for the forthcoming period, Dusan Vlatkovic said that the National Bank of Yugoslavia is sometimes criticized for failing to pursue a policy of the realistic exchange of the dinar. This amounts to a demand to devalue the dinar as much as possible. The statistics show that since 1980, taking everything into consideration, but using short time intervals, the exchange rate of the dinar has been adapting to the difference between the domestic and corresponding foreign price, while the devaluation is higher than this difference. The exception to this was the end of 1985 and the first half of 1986. This lagging behind had been eliminated by mid-1986, and the exchange rate of the dinar is rapidly adapting to this difference. From January 1980 to September 1986, the exchange rate of the dinar, in relation to corresponding foreign currencies, was reduced by 1,423 percent. In this period, the producer prices of industrial products rose by 1,364 percent, accompanied, of course, by the simultaneous growth of the corresponding foreign prices by 54 percent. Consequently, a realistic increase of domestic prices was 952 percent. If we compare this realistic increase of domestic prices with changes in the exchange rate of the dinar we will have a visible indicator. In fact, changes in the exchange rate were speedier than the growth of prices. On this account it cannot be said that we did not pursue a policy of the realistic exchange of the dinar, Vlatkovic stressed. [passage omitted]

I consider that the systemic changes in the banking system and monetary and credit policy will mean a step forward. They will contribute to the realization of the policy of economic stabilization, the elimination of irregular trends of the money issue and credit policies, the consolidation of responsibility for business transactions, and the restoration to the banks of the role that they should have regarding conditions of commodities' production, Dusan Vlatkovic, governor of the National Bank of Yugoslavia, said in this interview to TANJUG.

ZEMLJARIC CHAIRS FEC SESSION ON PRICE RISES

LD291515 Belgrade TANJUG Domestic Service in Serbo-Croatian 1255 GMT 29 Dec 86

[Excerpts] Belgrade, 29 Dec (TANJUG) -- Today, a session of the FEC, chaired by Janez Zemljaric, discussed a report on the announced price increases of communal and other services by the end of the year, and in this connection assessed that there are no fully justified economic reasons for them. Those organizations of associated labor and sociopolitical communities which announced the new prices should examine their proposals, taking into account the aims and tasks of the resolution for next year, and in particular those which refer to the urgent decrease of the rate of inflation and the maintenace of the standard of living, which would be even more threatened by the announced price increases.

The FEC's opinion is that the prices of postal and telecommunication services, railway charges, and the prices of road transport should not be increased this year. According to a statement by the Federal Secretariat for Information, it was assessed that it is also necessary to reexamine the announced price increase of insurance premiums.

With a draft of changes and amendments to the law on economic representative offices abroad, which was adopted at today's session, it is envisaged that joint representative offices should continue their work until the middle of next year, and not until the end of this year as prescribed by the present law in force. The solution is proposed because some representative offices have not carried out all the necessary tasks before they stop work. In addition, according to foreign countries' regulations, joint representative offices should settle the accounts of their financial and material business activities, and it is not possible to do this by the end of the year. [passage omitted]

The FEC also discussed a report on the final stage of negotiations between Yugoslavia and the EEC on concluding the protocol accompanying the agreement on cooperation between our country and the EEC in textile produciton trade, which was concluded for the period from 1987-91.

VETERAN POLITICIANS RETIRE FROM POLITICAL LIFE

LD240407 Belgrade TANJUG in English 2115 GMT 23 Dec 86

[Text] Belgrade, December 23 (TANJUG) -- A member of prominent Yugoslav leaders will withdraw from active political life following rejuvenation carried out in the country's top state and party leadership in the course of this year. The list of 29 new members of the Federal Assembly by the Presidency of Yugoslavia, includes the names of politicians who until recently held some of the most influential posts.

Thus, proposed as new members of the Council of the Federation are former prime minister, president of the Trade Union Confederation and president of the Presidency of Yugoslavia Mika Spiljak, former prime minister Mitja Ribicic, former president of the Presidency of the Central Committee of the League of Communists of Yugoslavia and president of the Assembly of Yugoslavia Dragoslav Markovic, former secretary of the CC LCY Presidency Dimce Belovski, former president of the Federal Conference of the Socialist Alliance of Yugoslavia Dr Aleksandar Grlickov, and former members of the highest Yugoslav party leadership Jure Bilic and Nijaz Dizdarevic. The new members will bring the total membership of this body, set up in 1963 under the preceding constitution, to 183.

This institution of "Wisdom and Experience," as the Yugoslav weekly NIN recently called it, has had an interesting history. Under the constitutional concept of 1963, the first council rallied a number of well-known revolutionaries, largely in their fifties and at the height of power, who held the most prominent political posts. However, the council did not meet until 1967, when its concept was changed and new members -- eminent politicians but without active functions -- were elected to it.

The new Constitution, adopted in 1974, defined the status of the Council of the Federation, and a new law on the council was also enacted shortly afterwards. Under the Constitution, the Presidency of Yugoslavia may convene the council to "consider issues of general policy" and may "entrust individual members of the Council of the Federation with the execution of specific tasks." The law, however, defines the council as a "political-consultative body."

This year saw a revival of activity of the council, which held three sessions. The impression is that the role of the council -- although it does not, formally, include any holders of high offices -- is gaining in weight as a component of Yugoslavia's political life. Sessions of the council are now largely open and the press extensively reports its debates.

BELGRADE COURT BANS BOOK ON CHETNIK MOVEMENT

LD292216 Belgrade TANJUG in English 2133 GMT 29 Dec 86

["Book Glorifying Chetniks Banned" -- TANJUG headline]

[Text] Belgrade, December 29 (TANJUG) -- The Belgrade District Court today banned the sale of the book "Allies and the Yugoslav War Drama" by Dr Veselin Djuretic because it is an attempt to rehabilitate the Chetnik movement and present its treason during World War Two as an anti-fascist struggle.

The ban was placed on the third edition of the book. When first published 18 months ago, the book was condemned by experts, official structures and the public. Amid criticism at the time, Dr Djuretic was expelled from the League of Communists of Yugoslavia. Djuretic tried to prove in court again today that the Chetnik movement of Draza Mihajlovic, convicted after the war for war crimes, treason and collaboration with the enemy, was allegedly anti-fascist.

The royalist movement of Draza Mihajlovic, however, only declared itself anti-fascist, but the Chetniks actually collaborated with the enemy during the war in their attempts to destroy the partisans and thus thwart the forces which had linked the struggle for national liberation with that for social liberation.

MAMULA VISITS SERBIAN INTERNAL AFFAIRS ORGANS

LD232336 Belgrade TANJUG Domestic Service in Serbo-Croatian 1617 GMT 23 Dec 86

[Text] Belgrade, 23 Dec (TANJUG) -- Fleet Admiral Branko Mamula, federal secretary for national defense, and his aides today visited the Secretariat for Internal Affairs of the SR of Serbia, where he had talks with Svetomir Lalovic, the republic's secretary for internal affairs.

The talks, in which Dobroslav Culafic, federal secretary for internal affairs, and Zdravko Mustac, an under secretary in the Federal Secretariat for Internal Affairs, also took part, were devoted to the current security situtation and cooperation of the Yugoslav People's Army security organs and services with the Secretariat for Internal Affairs of the SR of Serbia in suppressing any form of activity threatening the constitutionally determined order of the SFRY. It was said that significant results had been achieved in this sphere.

It was also agreed that the security services of both the Yugoslav People's Army and the republic's Secretariat for Internal Affairs had made a considerable contribution to the development of the system of all-people's defense and social self-protection. The need was stressed for continued socialization of the security services.

SUKRIJA ADDRESSES PRISTINA PARTY MEETING

LD170028 Belgrade TANJUG in English 1948 GMT 16 Dec 86

[Text] Pristina, Dec 16 (TANJUG) -- Without relying upon the socialist alliance of the working people as the widest front of organized socialist forces, the League of Communists of Yugoslavia (LCY) alone cannot win the battle against Albanian nationalism and separatism in Kosovo and cannot stabilize political conditions in this autonomous province -- has warned Ali Sukrija, member of the LCY Central Committee, addressing a party meeting in Pristina.

Himself a member of the Albanian nationality, Ali Sukrija assessed that the cases for attempted cases of raping and desecration of graves of Serbs and Montenegrins was "bringing the inter-nationality relations in Kosovo to a perilous point." Sukrija held that "such wrongdoings are passed over too quietly" and that children and youth, who often appear as perpetrators, "must have been told by someone to do so."

In Sukrija's belief, the activity of Albanian chauvinists and separatists is aimed against the socialist system in Yugoslavia, or, what is involved is the "class enemy who wants to capture power and topple this system and this community."

Speaking on the high birth rate in Kosovo, Ali Sukrija assessed that the request for family planning in the province is not aimed against Albanians, but on the contrary, it is primarily in their interest. Sukrija said that the problem is not receiving sufficient attention of either workers in health services and education, or other social structures in Kosovo, although the number of the unemployed in the province now already totals 120,000. The birth rate in the Province of Kosovo, where 85 percent of the population are members of the Albanian nationality, is 24 per thousand and is three times the average natality rate in Yugoslavia.

ARMY COOPERATION WITH KOSOVO POPULATION

LD190505 Belgrade TANJUG Domestic Service in Serbo-Croatian 1641 GMT 18 Dec 86

[Text] Pristina, 18 Dec (TANJUG) -- The units and commands of the Yugoslav People's Army [YPA] in Kosovo have achieved very significant results in training, education and combat readiness. Particularly valuable results have been achieved in cooperation between members of the YPA and the population.

This was said by Major-General Veso Srdic today in talks with journalists on the occasion of the upcoming holiday of the YPA. Among other things, he said that YPA members in this province have built 170 km of roads and have also taken part in a series of other humanitarian activities. The value of the work carried out amounts to more than 300 million dinars. During the fall 86 exercise, members of the YPA carried out specialized check-ups on over 2,000 citizens, children, and women [as received] who needed medical help.

Many officers of the YPA are studying the Albanian language. Valuable results have also been achieved in cultural and entertainment cooperation between members of the YPA and young people as well as with the population in general.

MONTENEGRIN LC COMMITTEE NOTES IDEOLOGY TRENDS

LD170025 Belgrade TANJUG Domestic Service in Serbo-Croatian 1711 GMT 16 Dec 86

[Summary] Titograd, 16 Dec (TANJUG) -- Today two commissions of the Montenegro LC Central Committee for ideological and theoretical work and for ideopolitical questions of education, science, and culture held a joint session to analyze ideological trends in this republic. Members of the commissions concluded that Montenegro institutions have not fallen under the influence of the bourgeois right, though there have been individual examples of departures from the LC line.

"Mention was also made of some concrete examples of behavior which harms the constructive political mood for action of subjective socialist forces, occurring in publishing activity and in the press. Views of some Communists, it was stressed at the session of the two commissions, often depart from the ideological stands of the LC. One of such examples, it was said at the session, is the interview by Batric Jovanovic to INTERVJU Sunday journal, given on the occasion of the printing of his book, "Montenegrins About Themselves" [Crnogorci o Sebi"]. The essence of Jovanovic's view, which is unscientific and unacceptable, is the interpretation that the Montenegrin nation is the "result of the party's decision," rather than a real historical fact. With his assessments that texts of nationalistic content get "official" or "semi-official" support by people from the highest organs of the Montenegro LC, Jovanovic, as it was stressed, tried to question the overall prestige of the Montenegro LC in relation to the national question.

"There is no need, it was stressed at the session, to make a "white book" of provocations by intellectuals in Montenegro, but there is sufficient reason for a much greater mobility of Communists, creators in all the press of creativity and for the strengthening of ideological struggle for Marxist evaluation of history and the present social reality."

BOSNIA-HERCEGOVINA OFFICIALS' CORRUPTION TRIAL

AU252648 Paris AFP in English 1629 GMT 25 Dec 86

[Text] Belgrade, Dec 25 (AFP) -- Two high-ranking Yugoslav officials went on trial in Sarajevo for corruption Wednesday, it was reported here Thursday. The two were named as Danilo Belasevic, secretary-general for justice for the Republic of Bosnio-Hercegovina, and the same republic's government secretary, Ranko Nikolic. Both were arested last October. They are charged with accepting bribes in connection with the release of a convicted person, the nomination of a provincial judge, and the re-election of a magistrate. Western observers noted it was the first time top officials in Yugoslavia have been prosecuted for corruption.

BOSNIA-HERCEGOVINA PARTY SECRETARY INTERVIEWED

LD292215 Belgrade TANJUG Domestic Service in Serbo-Croatian 1731 GMT 29 Dec 86

[Text] Sarajevo, 29 Dec (TANJUG) -- In his interview, carried by Sarajevo VECERNJE NOVINE in the special new year issue, Saban Kevric, secretary of the Central Committee of the LC of Bosnia-Hercegovina, lays emphasis on anticommunist and antisocialist tendencies in society.

At the level of political aspirations, says Kevric, the exponents of anticommunist and antisocialilst ideologies are concentrating on what is crucial: to instigate a conflict between the LC and the working class, the vanguard and the people. They know very well that the leading role of the LC is the strongest cement for strengthening the unit of socialist forces.

Hence a logical question: What was the attitude of the LC to these attacks up to now? One must bear in mind that one of the aims of anticommunist forces is to incite a state of affairs in which the LC would resort exclusively to repressive methods to prove that the LC is a stalinist party. The LC has always been wary of such a provocation, which frequently creates an impression that the LC is on the defensive. If one can speak about the elements of being on the defensive, then other reasons are in question. The impression of being on the defensive, which has truly been created in some environments, has intensified in some environments a nonuniform attitude of the LC to anticommunist forces, which is, most probably, a result of compromises and the undermining of the exponents of these ideas, but also of the realistic state of affairs.

It seems as if, so far, we in the LC have shown too much unnecessary consideration in the ideological struggle against anticommunism and the bourgeois right. On one occasion we are inhibited, concerned what the international public would say, while on another we are careful not to let them reproach us with being Stalinists. There were also situations when we agreed that the uniform ideological Yugoslav territory should be parcelled out and that the exclusive "right" of intervention within the ideological sphere should be reduced to the intervention of parts of the LC, in which "territory" these forces are manifested, and not of the entire LC. Sometimes this non-uniformity is justified, allegedly, by various similar democratic traditions in some parts of the country.

All these are the elements that have been creating the atmosphere of opportunism in some LC organizations. I say in some, because we should not generalize, because the situtation is not the same everywhere.

Also, the situation today is not the same as the one yesterday, which is a result of the ever increasing offensive attitude of the LC, given stimulus by the stands of the Presidency and the LCY Central Committee on the topical ideo-political trends in the country, stressed Saban Kevric.

BOSNIA-HERCEGOVINA COUNCIL DISCUSSES DEFENSE

LD302126 Belgrade TANJUG Domestic Service in Serbo-Croatian 1506 GMT 30 Dec 86

[Text] Sarajevo, 30 Dec (TANJUG) -- The Executive Council of the Assembly of the SR of Bosnia-Hercegovina, with Josip Lovrenovic in the chair, today discussed the issues of the functioning, development, and improvements in the all-people's defense and social self-protection system. It was assessed that great interest exists among young people for education in military schools and academies.

Following an analysis of the level of development in the special-purpose industry, the council reportedly concluded that, in the coming period, efforts should be made to develop scientific and research work and to formulate programs for developing new materials and components in this branch of industry. The most professional experts and considerable material funds will have to be employed. Despite a whole set of complex problems over the last 5-year period, the special purpose industry successfully carried out its envisaged tasks.

SOURCES USED IN IRANIAN PRESS ATTACKS IDENTIFIED

AU251751 Belgrade BORBA in Serbo-Croatian 10 Dec 86 p 2

[Radomir Licina commentary: "Green Blank Cartridges From Tehran"

[Excerpts] ("You have your belief, and I have my belief," Honorable Koran, 109:6)

Very soon after the victory of the revolution at the beginning of 1979, the official propaganda of the Islamic Republic of Iran started an intensively and carefully orchestrated campaign for the rights of the "oppressed masses of the world."

Although at the beginning of the campaign it was not clear who would be included in the rather vague category of "the oppressed," and although Iran joined the Nonaligned Movement, thereby accepting the movement's principles and policy of active efforts for creating a new and more just world for all nations and individuals, it soon turned out that propagandists of the Islamic republic are interested almost exclusively in the position of Muslims and Islamic communities in other countries. Tehran newspapers and other information media soon started to claim more and more frequently and openly that "after the victory of the Iranian revolution, the Muslims of the whole world found new life in Iran," and then started to list individually countries and regimes "in which Muslims are denied social rights, where they are oppressed, arrested, and abused, and where they are even killed."

It was not long until Yugoslavia found itself on the "black" list of the Iranian media.

Past Times [subhead]

At the beginning, immediately after Tito's death and as special warning to the new Yugoslav leaders, JOMHURI-YE ESLAMI, the organ of the ruling Islamic Republican Party, demanded that more attention be devoted to the demands of Yugoslav Muslims. A year or two later, the articles hauling Yugoslavia on the carpet for "oppressing and abusing its Muslims" became the most frequent and almost the only means of dealing with our country in Iranian propaganda. [passage omitted]

With or without some forced occasions, Yugoslavia has been presented to the Iranian public very one-sidedly, mostly in a negative light, with some moves from time to time that escalated in their tone and content to heights dangerously close not only to anticommunist hysteria, but also to stirring up religious intolerance and national hatred. [passage omitted]

Even if one can characterize as -- to put it mildly -- frivolous, those theses in some Iranian papers and articles according to which "there is a double legal system in the SFRY... in which those who are not Muslims enjoy greater rights" and according to which "an increase in the interest of young Yugoslavs in studying Islam created panic in the Communist Party," or that "there is no Muslim family in Yugoslavia without at least one member being in prison," these are the very serious sounding claims (which sound like a incitement) that "a new wave of arrests will only provoke hatred among Yugoslav Muslims, but make them oppose oppression with arms." Or the indirect advocacy that "Albanian dissidents be recognized as having a right to the same status as Serbians have," and the views that a hidden genocide is carried out against Albanians in Kosovo... And, according to all that is written in the Tehran press, those most responsible for such a situation in Kosovo -- where the "Serbian minority failed to adjust to the Albanian majority" -- are "Serbian colonizers" and Serbian politicians who dominate in the Yugoslav Government" and... who do not allow "a mediatory role in solving the Kosovo problem to the Muslim countries with which Yugoslavia has good relations." [passage omitted]

It would have been very easy and even reassuring if the reasons for this mass of untruths and insinuations about Yugoslav reality could be ascribed to a failure to be acquainted with the facts of our past and present, or the "rhetoric of some of our enthusiasts," as some Tehran officials like to put it. It is more than conspicuous, though, that Iranian propagandists seek data and theses for their rhetoric (in the case of Yugoslavia) always in the same or recognizable sources, even when these are not signed or cited.

These are primarily some unidentified Albanian and Muslim "dissidents," also various Western (depending on the need, Tehran calls them Satan as well) sources, and some of those organizations which concern themselves with human rights ("Amnesty International," for instance).

And finally -- though not last in importance -- there is Ustasha propagandist Kerim Reis who is a frequent "guest" in the pages of the Tehran press. For those not in the know, Kerim Reis is president of the Croatian Islamic Center in Toronto, whose pro Ustasha orientation does not require much proof. As concerns Reis himself, he is an Ustasha emigree, a former associate of Andrija Artukovic, a present deputy of Mate Mestrovic, and a member of the Assembly of the Ustasha Croatian National Council (as deputy of the "Ante Pavelic" election ward). One of the purpose of Reis's Ustasha Center is "informing the Islamic world about the persecution and violation of the freedoms and national rights of Croatian and Albanian Muslims in the SFRY."

Without any doubt, Iranian propagandists have a "correct, unmalicious, and unbiased choice and source" for informing their public about Yugoslav reality.

Following this kind of Tehran propaganda logic, to inform the Yugoslav public about Iranian reality, our right and only sources of information would have to be Prince Reza, for instance, or his father's Premier Bakhtiar. [passage omitted] Such thinking can also be characterized as "rhetoric of some Yugoslav enthusiasts." It can be, but does not have to be.

IRAQI OIL MINISTRY OFFICIAL ARRIVES FOR VISIT

JN231108 Baghdad INA in Arabic 1050 GMT 23 Dec 86

[Text] Belgrade, 23 Dec (INA) -- Oil Ministry Under Secretary 'Isam 'Abd al-rahim arrived in Belgrade today at the head of an Iraqi delegation on a visit of several days to the SFRY. The Iraqi under secretary will hold talks with the SFRY officials to pave the way for the meetings of the 12th session of the Iraqi-SFRY joint committee. The talks will also deal with ways to promote economic cooperation between the two countries and progress in several projects being executed in Iraq by SFRY companies.

Joint Scientific Committee

LD270036 Belgrade TANJUG Domestic Service in Serbo-Croatian 1253 GMT 26 Dec 86

[Text] Belgrade, 26 Dec (TANJUG) -- Andrej Ocvirk, member of the Federal Executive Council and president of the Federal Committee for Energy and Industry, had talks today with 'Isam 'Abd al-rahim, under secretary for oil of the Republic of Iraq and deputy chairman of the Iraqi part of the mixed Yugoslav-Iraqi Committee for Economic and Scientific-Technical Cooperation. They reviewed bilateral economic cooperation, particularly in energy, and the involvement of Yugoslav organizations in the construction and equipping of investment projects in Iraq.

BRIEFS

TRADE PROTOCOL WITH CUBA -- Belgrade, 19 Dec (TANJUG) -- A protocol was signed in Belgrade tonight between Yugoslavia and Cuba on the exchange of commodities and services in 1987, envisaging the exchange volume of $60 million. The protocol was signed by Dr Aleksandar Donev, member of the FEC and federal secretary for market and general economic affairs; and Ernesto Melendez, minister-president of the State Committee for Economic Cooperation. [Text] [Belgrade TANJUG Domestic Service in Serbo-Croatian 1844 GMT 19 Dec 86 LD]

ASSEMBLY MEMBER DIES -- Pristina, 23 Dec (TANJUG) -- Aslan Fazlija, a prominent sociopolitical worker and Kosovo delegate in the SFRY Assembly's Federal Chamber died in Pristina today. He was 62 and in his political career occupied a number of important posts: He was member of the Federal Executive Council, member of the Presidium of the Kosovo LC Provincial Committee Presidium, editor-in-chief of RILINDJA and director of the Rilindja newspaper publishing house. [Summary] [Belgrade TANJUG Domestic Service in Serbo-Croatian 1607 GMT 23 Dec 86 LD]

1986 INFLATION FIGURES -- Belgrade, 24 Dec (TANJUG) -- Compared to 1985, this year's inflation, measured by the increase in retail prices, will be 88.6 percent. This is the latest assessment by experts of the Federal Institute of Statistics, judging by the trends in the latest quarter of the year. According to these assessments, industrial production this year will be up by four percent compared to last year, while the producers' price index in the same period will be up by 70.9 percent and the cost of living index by 90.1 percent. [Text] [Belgrade TANJUG Domestic Service in Serbo-Croatia 1535 GMT 24 Dec 86 LD]